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ARMS CONTROL

BELGIUM

VREVEN ON CRUISE MISSILES, DEFENSE PROCUREMENT

Brussels KNACK in Dutch 5, 12 Dec 84

[Interview with Minister of Defense Alfred Vreven by Frank de Moor and Frans Verleyen; date and place not given]

[5 Dec 84 pp 13-16]

[Text] Right after the CVP [Social Christian Party] standpoint with respect to the deployment of American nuclear arms in Florennes was altered, the editors talked with Minister of Defense Freddy Vreven (PVV [Party of Liberty and Progress]). An interview with at least two or three surprises.

What is noteworthy first of all, from his very first words, is the calm endurance with which Vreven has followed the events within the CVP. For him nothing has changed: no problem, no new insight into the Martens V cabinet. Then comes a discussion on the problem of the double key, and Vreven brings in some new material; as far as he is concerned, the government can still try to avoid one of the main problems in the missile dossier. If it comes up with the necessary funds, it can safeguard the national sovereignty by "purchasing" the right to a share of the control over the cruise missile installations. If the United States were to reject such an initiative (what it indeed did in Margaret Thatcher's country), then that would render its military intentions questionable.

The Belgian Minister of National Defense also admits that the new INF weapons decrease the nuclear threshold in Europe even though, in his eyes, that is to be blamed on the Soviets. However, Western European ministers rather seldom recognize this aspect of the missile dossier, and to a certain extent they don't lose sight of the American self-interest.

[Question] Mister Minister, can the coalition which is governing in Belgium still manage to get out of the missile affair?

Freddy Vreven: We should not dramatize the situation. All the statements which have been made so far originated with persons or parties. The final decision is with the government and the minister of Foreign Relations.

Thus far I have not noticed any change in their policy. Therefore there is no problem for me as minister of Defense. Furthermore, in our country we must await, just as in the past, the bi-annual evaluation which the minister of Foreign Relations is to submit to the government. With respect to the discussions between the United States and the Soviet Union, we won't know until the beginning of next year what results they might yield. After all, only an initial contact has been provided for. It isn't even known whether it will be followed by negotiations and what those will cover. It isn't even certain, for example, that the /Intermediate Nuclear Forces/ (INF), of which the planned cruise missiles are a component for Belgium, will definitely be put on the agenda. The Soviets are not at all clear on that.

[Question] It appears, however, as if they are striving for general negotiations in which both space- and intercontinental and INF weapons will come up for discussion.

Vreven: That is probably because their primary goal, in my opinion, is the initiation of discussions in order to avoid or limit weapons in space. I believe that until recently that was indeed their only goal and that they even were negative as to the resumption of discussions on the INF in Europe. Thus it is premature to claim already now that these INF will be discussed again and that there are reasons for Belgium to postpone the preparations toward deployment.

Key

[Question] At this moment, however, it looks as if there is no longer any political base for the deployment of those missiles. In parliament, on the Flemish side, only the PVV continues to be a determined advocate of deployment, and within the government there is increasing disagreement on the matter.

Vreven: On the parliamentary level there have perhaps always been people, even within the PVV, who were hesitant with respect to deployment. It is your statement, not mine, that agreement is no longer possible in the government. In my opinion, everything is proceeding normally for the government today, Thursday 29 November, and shortly there will be an evaluation. Normally that evaluation is planned for the end of December or the beginning of January (as of the cabinet meeting of 30 November, that was moved to the first trimester of 1985--ed). Only that evaluation of the situation will determine whether there really are new, positive facts. If those are not forthcoming, then personally I don't see why the government would alter its original standpoint.

Of course, a date for the definitive decision on deployment was never set in advance. If until now I have always referred to March 1985, that is because it is the date which fits in the time schedule accepted by NATO and the Belgian Government. Because of the slow selection of the basis on which those 48 cruise missiles should come to our country and due to numerous technical reasons, we have even got quite a bit behind on that time schedule.

For example, it was decided that on that date only 16 of the 48 cruise missiles (the infrastructure for four launchers--ed) would be installed for the time being.

[Question] Thus you still have two escape routes to gain time. You can evaluate at a later date or you can have the infrastructural work ready at a later date.

Vreven: We could do that, but I don't want to hide behind an excuse in order to decide to deploy or not to deploy. As soon as we are ready, we must decide on whether the missiles will come or will not come.

[Question] Wasn't too great a risk taken at the very start of the dossier by making the placing of those cruise missiles in populated areas of Belgium, the United Kingdom, Italy, the Netherlands and the Federal Republic of Germany a manifest symbol of stern NATO harmony? If you had gone about it in a less political and more technical manner, wouldn't NATO then have avoided the so-called "social fabric" of the peace movements?

Vreven: That is only partly true. One of the objectives of the placing indeed intended to prove the cohesion of NATO and to show the Warsaw Pact the unanimous policy pursued by NATO. That is most certainly the reason, and perhaps the only one, why initially no more publicity than necessary was given to the INF. After all, it only concerns the installation of a nuclear weapons system which supplements the existing systems and which primarily is to serve as a response to the Soviet SS-20 missiles aimed at us. Personally I believe that the Soviets are not terribly concerned about those INF. For them it is a political trump to cause a degree of destabilization in certain NATO member states via the discussions on that matter.

[Question] That sounds rather insulting to people concerned about peace.

Vreven: I am expressing myself very cautiously. The /social fabric/, as you call it, plays into the hands of the Soviet Union, doesn't it? I'm not saying that the Soviets organize the demonstrations, but surely you know that a war is not waged with arms only. I mean by that that they very cleverly play upon the Western intellect and that they knew from the beginning that the spark would catch on there.

[Question] Haven't the politicians taken unnecessary risks here by, for example, leaving the key--the so-called single trigger or single key--for the firing exclusively in American hands? Even Mrs Thatcher has urged the Americans in extremis for a double key, but she met with refusal. Surely that is alarming to any thinking European.

Vreven: In 1979 the possibility of having the double key system did exist. The Belgian Government refused it at the time, officially because it was too expensive. At that time the double key was estimated at approximately 4 billion francs, while the single key system would cost only a little over $\frac{1}{2}$ billion. Well, take it from me, it doesn't make that much difference whether it is a double or a single key.

Cabinet Chief De Smet: The decision to potentially fire cruise missiles with nuclear warheads is in any event made within NATO. The American commander in chief of the allied forces in Europe can't simply start firing nuclear arms of his own accord. In that respect also, NATO decisions are made unanimously by all member states. The only fear of some is that the decision to halt the advance of the Warsaw Pact with nuclear arms might be made too slowly.

Science Fiction

[Question] Aren't the Pershing and Cruise missiles the final point in an evolution which has been going on since the sixties and which ultimately signifies the "sanctuarizing" of the United States--read: safeguarding it from a Soviet nuclear attack--and the converting of Europe into a battle field?

Vreven: No. I am convinced of the absolute alliance of the United States with its European NATO partners. I cannot possibly imagine a conflict which Europe would face without the United States. That's what NATO is for.

[Question] The fear does exist, however, that through the deployment of the INF Europe will become involved in the conflict of the two superpowers wherever in the world, without any European interest being at stake directly.

Vreven: I don't share that fear. In the long term I only fear that the Soviet Union will try to conclude any accord whatsoever with the United States, but that it will be signed at the cost of Europe. That is clear from numerous statements by the Kremlin and was once again clear from the speech of the Soviet Minister of Foreign Affairs Gromyko in the United Nations. He emphatically repeated there that he wants to talk with the United States only on a bilateral level.

De Smet: The INF will never be used to settle a conflict between the United States and the Soviet Union which doesn't have a European interest at stake. For that matter, it has been emphatically stipulated that those weapons may not be used outside of NATO's treaty area.

[Question] That, however, does not prevent a second front from being created within the treaty zone in Europe as a result of a conflict between the United States and the Soviet Union in which Europe in the strict sense has no stake whatsoever.

Vreven: That is science fiction and not specifically tied to the INF.

[Question] It certainly is. If worse came to worse, the United States could, with its single key, fire a few Pershings or Cruise Missiles at the Soviet Union from the unsinkable aircraft carrier "Europe"; without consultation.

Vreven: That could happen if the American president suddenly were to turn crazy, but that could happen to the French too.

De Smet: It might also happen that the United States, who after all are the owners of those new nuclear missiles, remove them from here and fire them from elsewhere. In that case the Belgians should not go along. However, if they had the second firing key, they would be obliged to go along. Whatever the United States is able to do from Europe with its new nuclear missiles it is certainly able to do from its own territory, even though its nuclear shots would then have a strategic character.

[Question] But that's precisely the point; then it will be fired at in return and at that moment the theater is on its territory and not on ours.

De Smet: Yes, of course; you suspect the United States of wanting to secretly fire from Europe and of letting us be stuck with the pieces.

[Question] It's not that simple, even though the ultimate command of those arms is very vague under international law.

Vreven: Personally I have been a supporter of the double key from the very beginning. I even think that at that time it was still possible to get it from the Americans. On the other hand I am convinced that in 1979 not everyone was so keen on requesting a double key system. Many preferred not to have that responsibility. Obviously in a joint accord any contract can be renegotiated. That cannot be done unilaterally.

[Question] It isn't even a contract. It is merely a communique, a telex without a signature.

Vreven: Not all accords concluded by consensus in NATO are signed. I have never had to sign anything in NATO, but nevertheless a great number of decisions were made.

Holocaust

[Question] Do you think you might possibly want to take new initiatives in the light of the recent social debate and, as behooves a notary, to bring the contracting parties together once again and that, for example, you ask for the double key along with the necessary financial efforts?

Vreven: If an agreement should come about in the government in that regard I would certainly not oppose it. The initiative in that respect is not up to me, however, but to the minister of Foreign Relations. Everyone has his own authority.

[Question] Would the deterrence be less effective if we were not to install the cruise missiles?

Vreven: Certainly. No one doubts that with our conventional weapons we are much weaker than the Warsaw Pact. I doubt, however, that in case of a conflict the two superpowers would dare use their strategic nuclear arms since they know very well that that would be the start of the holocaust.

Thus if the Cruise and Pershing Missiles come to Europe, deterrence will be increased.

[Question] With that you admit that there is a tendency toward self-protection and sanctuarization in the superpowers and toward a lowering of the nuclear threshold in Europe, don't you?

Vreven: By introducing the new nuclear missiles the nuclear threshold is indeed lowered, but that is done in response to the installation of the Soviet SS-20 missiles. On the other hand, within NATO a general tendency may be observed toward raising that nuclear threshold with better conventional weapons. Indeed, the Soviet Union should ask itself uneasy questions on the reactions of NATO if a conflict were to break out.

[Question] The NATO strategy of massive retaliation once again was a clear contract in which the United States was to rush to our aid with its nuclear arsenal as soon as the Soviets made one step in the wrong direction. Now the Soviet Union has lots of elbow room within which it can calculate the consequences of risks to be taken.

De Smet: Have you ever heard the Soviets react to the fact that we would mount nuclear warheads on our 155 millimeter cannons? They don't care because they are convinced that those arms, as an response to their /offensive/ --and their entire strategy is indeed aimed at that--will be fired by Western guns on Western territory. With the Pershing and Cruise missiles, however, they have to consider the fact that nuclear arms can also land on their territory. Because the NATO strategy is defensive by definition, nothing will happen of course if they don't initiate an attack. However, the question which arises here is whether it is thinkable to defend Europe without the supply of reinforcements from the United States. The answer to that is: no. On the other hand, with the multi-warhead Soviet SS-20 missiles it is possible to close off all the access routes to Europe such as air- and seaports and hence render the supply of such reinforcements impossible. In that manner the Soviet Union could preserve the imbalance and push through to the Atlantic Ocean. That is why we, in our turn, must be able to block their reinforcements: on their territory, of course. To do that we need arms of the INF type, and the fact that we have those will certainly strengthen our dissuasion in the eyes of the Soviet Union.

Against the Sea

[Question] In that case is FOFA, the "follow-on-forces attack" strategy advocated by General Rogers--in other words the depth attack with conventional arms against the second and third echelon of the Warsaw Pact troops--already now the answer of NATO in case it should turn out that only part of those new nuclear missiles can be deployed?

Vreven: Contrary to what is being said and written, FOFA is only a /study/ which does not commit us to anything. The NATO ambassadors thus far have only approved that the Defense Planning Committee (DPC) be asked this week to have further studies made in that regard.

De Smet: FOFA further does not entail any fundamental change in the NATO defense strategy. With an eye to the evolution of weapons systems, only upon request of the military serving on the Military Committee is a study being made to investigate the possibilities of the latest technologies with respect to interdiction orders. /Interdiction/ always was aimed at preventing (interdicere) the enemy from conquering certain access routes which would enable him to deploy fresh troops and thus gain preponderance over our first line troops. Seen in a military-technical manner, we must prevent the enemy from deploying his second and third echelon forces in the struggle. In FOFA the word "attack" was used incorrectly. In fact FOFA does not comprise an attack behind the initial starting line of the enemy but, rather, offensive actions behind his lines in order to prevent the front line from moving farther westward. The Soviets do not maneuver; they continue to deploy new echelons and in doing so they have the advantage of the so-called strategic depth. The NATO troops, on the other hand, have their back against the sea after a few hundred kilometers.

[Question] That does not remove the fact that FOFA will furnish plans which might be seen as offensive by the Soviets?

Vreven: They are not offensive, but merely offer added possibilities to better strike back. Don't forget that the configuration of the Warsaw Pact troops and its latest maneuvers necessarily lead to the decision that they are intended for an offensive against Western Europe.

[Question] By way of caricature one might propose that over half of their soldiers will ask for political asylum here right away, impressed by the social attractivity of the West.

Vreven: Are you convinced that every German soldier in World War II liked what he ultimately did? I'm not. But he did it anyway.

(To be continued--ed) Next week: The procurement policy of Minister Vreven.

[12 Dec 84 pp 55-61]

[Text] Last week in this paper and later on also in parliament and at the NATO meeting, Minister of Defense Freddie Vreven took some new positions on the installation of new nuclear missiles in Belgium. The continuation of that discussion deals with his procurement policy. In the next few weeks military business is once again on the agenda.

Minister of Defense Freddie Vreven (PVV) will be the chairman of the Eurogroup as of the new year. That is a club of European NATO partners, but without Iceland, France and, of course, the United States. The Eurogroup is important in, amongst other things, defense procurements. Hence the question why Minister of Defense Vreven bought so much American materiel during the past months.

Vreven: One of the weak spots of the European arms industry is its lack of competitive power. In Europe one can't always buy the best product at the best price. Our continent clearly is not yet ready for its very own arms industry, with extensive specializations, by country for example. In their nationalism, some countries want the entire spread of activities for themselves but don't allow someone else his own territory. During the past weeks we have made some big steps, however, both in the Western European Union (WEU) and in the European Independent Program Group (GEIP). It was repeatedly determined there that we want a more joint European approach in the NATO context also. Don't forget that the WEU is the only place in which you can discuss defense in the European context. Attempts are being made to blow new life into that forum. Personally I think that we could go toward more specialization also in the Benelux framework. Why shouldn't it be possible for us to have more airpower one day and no longer any seapower, and for the Netherlands, on the other hand, to have more seapower and less air power?

[Question] Are you an advocate of a European emancipation in NATO?

Vreven: Certainly, but always within NATO, and I am convinced that the United States also want that.

[Question] Doesn't it bother you that the commercial factor weighs so heavily on security dossiers?

Vreven: You can also say that the military factor weighs on industry. I don't think that this is the root of the problem although I'm not saying that sometimes similar things have no influence in the more rapid obsolescing of some military products. Under the pressure of industry you sometimes get a too rapid evolution of weapons systems.

[Question] Is the strategy keeping up with military technology or does strategic insight continue to be of primary importance?

Vreven: One can never completely keep up with the industrial evolution, if only because the various countries cannot cope with such financial efforts. Even if that limitation did not exist, however, I still believe that one cannot keep up with the evolution. Also within NATO not all purchases are made simultaneously and thus one gets a continuous evolution which is confirmed by numerous consecutive purchases. This does not prevent us from sometimes buying products which have already become partly obsolete by the time they are delivered. Take the latest F16-jet bombers, for example. When they are delivered to Belgium, no doubt more sophisticated versions will already exist.

[Question] For those F16's, are you now planning to accelerate the purchase of the "Electronic Counter Measures" (ECM) of the Rapport 3 type, as some industrials and friendly politicians would like to do? I mean: equipment to disturb the electronics of the enemy flying in.

Vreven: Thus far I have had neither the means nor the opportunities to purchase such a system in the framework of the priorities established in the 10-year plan. Any viable proposal is welcome, but so far I have not seen anything of that nature.

[Question] The bargaining in military procurements is virtually becoming one of the main lines of your policy. You are twisting in all directions to try to make certain purchases. For example, you unsnarled and wound up the accelerated purchase of 44 F16's at the time.

Vreven: I indeed concluded that deal, but the dossier dated from before my time. I tried to make of it what was possible within the government without, however, disturbing the priorities of national defense. That is an important nuance.

The Patriot

[Question] Another dossier in which unusual negotiation schemes are being established is the purchase of the Patriot anti-aircraft missiles. At a certain moment you said you never wanted to buy those missiles and now we see you make an about-turn and install those Patriots after all under certain conditions.

Vreven: There is absolutely no about-face involved. I have always said that I would not /buy/ Patriots; certainly not with our money and with my budget. I stand by that. What do you think--they cost about 30 billion. I have never said, however, that I did not /want/ Patriots or that we did not want to participate in the anti-aircraft chain in Central Europe. In order to economize, I had originally proposed a plan in which the Hawk systems would be returned to Belgium, the Nike missiles would be dismantled, and all that money would be spent elsewhere. However, since that time it was proven to me that the Hawks must remain where they are. On the other hand, NATO has agreed to Belgium's dismantling two Nike squadrons. Thus we still retain four. And I am convinced that they must stay until they can be replaced by Patriots. Anyway, with respect to anti-aircraft defense for Central Europe I don't want to do more in the future than now. That is why we would be able, by guaranteeing the personnel and the operation, to potentially crew and make operational four Patriot units for the same amount of money. If this service were to be capitalized in installments, then we would be able to collect the amount needed for the purchase of those Patriot systems. Thus far we have not achieved any result yet because we are of the opinion that in settling the account the depreciation of those systems should also play a part. In other words, at the moment of the definitive transfer of ownership we do not want to pay old for new. In the United States, on the other hand, the writing off of that depreciation is not permitted legally. Hence the obstacle in the discussion.

[Question] Another dossier on which you put your mark, partly in vain, is that of the jeeps. Did you finally have to give in to your French-speaking liberal coalition partner, thus to Jean Gol?

Vreven: It is not a matter of giving in. Contrary to what was claimed, I have never threatened with resignation. I was indeed disillusioned, and I stand on that. But a decision was made by the government, and the government decided that the economic compensations in this dossier had to receive priority over other, military factors. I have had to give in to that.

[Question] Under pressure of Vice Prime Minister and Minister of Justice Jean Gol?

Vreven: He was part of the cabinet council.

[Question] And he was the advocate of the German-Canadien Iltis jeep.

Vreven: He was not the only one.

[Question] The Francophones?

Vreven: Not only they. Minister of Economic Affairs Mark Eyskens had also been won over for Iltis.

[Querstion] After the trip of his cabinet associate to Canada?

Vreven: That is your statement.

General Segers

[Question] The next procurement dossier, of which the regional aspects will be even more important, concerns the helicopter purchase. To what extent will this dossier influence your "globalization plan" (a total package of six large orders)? You know that Flanders demands 100 percent compensation.

Vreven: You know the six programs of the globalization plan. They are the purchase of additional F-16's, of 155 mm cannons, of helicopters, of HF and VHF radios and of vehicles. Thus far the government has concluded an accord with respect to the regional division of the compensations with respect to the F16, the cannons, the HF radios and the total division over the regions. One of these days we have to announce the division criteria for the compensation orders in the acquisition of vehicles and helicopters. This will enable the candidates to know where they stand. Only then will we go to the ministers' council with the dossiers. Then, as a function of the final figures of the globalization accord, the only thing that remains to be divided among the regions is the VHF acquisition program.

[Question] When you refer to helicopters, you are thinking of 66 percent compensations for Flanders and 34 percent for Wallonia. What do you do about those in Flanders who want 100 percent compensations?

Vreven: Every region tries to gather in 100 percent of the compensation orders for every program. In any event, with respect to the helicopters

it has never been a matter of 100 percent compensations for Flanders, both in the globalization group and in the government.

[Question] What type of helicopters do you want to purchase now? Your budget is very limited (12 billion in current- and 8.8 billion in today's francs). What is your answer to statements in this same paper by Lieutenant-general Segers, chief of staff of the army, in which he openly said for the first time that he would prefer less refined transport helicopters to fly over the existing anti-tank Milan teams, rather than the anti-tank helicopters which he would have to keep on the ground afterwards due to lack of operational credibility.

Vreven: I leave the responsibility for this judgment with General Segers. I want to buy the best and cheapest helicopter as well as take into account our commitments toward NATO. It also has always been my practice to have noted in the order book that the candidate suppliers definitely were to state the number of men that could be transported. Surely you will understand that I'm not so foolish as to choose an anti-tank helicopter which can only transport two men when for the same price we can take several more men in a different helicopter. I further state that there is a big difference in ranges and operability between anti-tank arms used on the ground and in the air. It is clear that Milan teams cannot accomplish what anti-tank helicopters do and that NATO has been asking us for years to also provide for anti-tank helicopters.

[Question] Isn't Segers then putting his finger right on the spot: namely that the government is already paying too much attention to the investment policy and is too little concerned about the necessary funds for operational means?

Vreven: The purchases we are discussing and of which the helicopter dossier forms part have been programmed and postponed for a number of years already. Moreover, that planning has already been revised to what is most essential, and the purchase of anti-tank helicopters is such a priority. I did not establish that, but the staff of the army did, long before general Segers became the chief of staff. Only Belgium and the Netherlands have not used anti-tank helicopters until now. I also want it to be mentioned that those more sophisticated anti-tank helicopters owe their anti-tank nature to practical one-time investments. The most expensive aspects of training are increasingly being replaced by electronic simulation. The firing with real ammunition will in time be the culmination of training with simulators. Those for the Milan missiles, for example, are perfect and furnish excellent marksmen, even though in reality they fire only one shot a year. One rides, aims, and shoots as if from an amusement park, and in that manner the instructors are much better able to point out possible errors. On the other hand, I hope to transfer as many credits as possible from personnel costs to operating costs. As to investments, we are allowed a growth of only 6.5 percent more, and that is a very negative growth in the military industry because in some sections of that business inflation increases up to 12 percent per year.

[Question] Have you already been able to boost operating costs in order to prevent the air force from having to close down four operational bases, as was the case from 31 October to 12 November and once again from 23 December to 2 January? Then of what use are all those good F16's?

Vreven: That proposal was made to me in 1982 by the general staff in order to group, amongst others, the recuperation days of the personnel. That was to yield a profit of about 17 million, and that could then be used in turn for additional exercises. The air force certainly lacks flying hours. Each pilot now flies about 135 hours per year.

[Question] NATO requires 180.

Vreven: Right, but at my insistence and through the search for new means the pilots will be able to fly 145 hours already next year.

[Question] Has the army then been ruined through spending?

Vreven: No, I'll repeat it, I'm not obsessed by compulsive buying. For that matter, that is clear from the procedures and means we use to buy as inexpensively as possible. In the jeep dossier, for example, we have already wrested compensations of 6 billion for an order of 2 billion. By buying the 155 mm cannons directly in the United States we have saved about 1 billion. We are always and everywhere haggling in that manner. I have also been able to decrease our contribution of 5.59 percent in the joint NATO infrastructure by 1 percent. This ultimately represents a decrease of 18 percent. If moreover you keep the new programming in mind and figure the decrease into that, Belgium will spend about 4.4 billion less on the NATO infrastructure. And that is not nothing.

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ARMS CONTROL

ITALY

DEFENSE CAPABILITIES, DOCTRINE ASSESSED

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 4 Dec 84 p 5

[Article by Siegfried Thielbeer: "Rapid Deployment Force"]

[Text] Modernization of Italian land forces has been quietly but rapidly pushed along since the mid-seventies, when the number of troops was drastically reduced. The army has become smaller, but today it is far more mechanized. The nucleus of the tank division is formed by 300 modern U.S. M-60 tanks and by 920 Leopard 1 tanks, of which 200 and 700 at a time were produced under license by the Italian arms supplier Oto-Melara. With their 105-millimeter guns, they are more than a match for Soviet tanks. Their fire control equipment is now scheduled for modernization.

The 550 antiquated M-47 tanks from the United States still on hand are not going to be replaced by a product built under license, as was the custom up to now, but by a second generation Italian tank. Four hundred of these tanks are expected under commission by the Foreign Ministry. Their performance is supposed to be equal to the German Leopard 2 tank. Oto-Melara's opinion is that they should be equipped with a 120-millimeter smooth-bore cannon according to the wishes of the military instead of what had been planned. The old M-47 tanks are being given a general overhaul and then transferred to the territorial defense troops or stored like other weapons for equipping reserve units when required. Taken all together, the Italian tank troops are as strong as those of France.

The situation is the same with regard to artillery, traditionally called by the French "the queen of weapons". Italian field pieces are recognized as being good. The 105-millimeter mountain howitzer, which can be taken apart and is easy to move, has been proven to be extremely reliable. This gun--the Italian troops have 320 of them--was introduced in all NATO countries a long time ago. It is, moreover, a world-wide export hit. The 155-millimeter howitzers are mainly of recent production. Italy developed the long range Field Howitzer 70 together with England and the Federal Republic of Germany. It will serve as a basis for the development of a new armored vehicle howitzer. The last of the old guns will be transferred to the reservists and replaced by 300 improved M-109 armored vehicle howitzers. All in all, the Italian army will then have more than 500 M-109s, which are suitable for combined arms battles; that is, for mobile deployment together with tanks and armored infantry.

The Italian armed forces' greatest difficulties, as in so many other NATO countries, lie in antiaircraft defense, in stockpiling (i.e., ability to maintain supply) and, finally, in defense against armor. Most important of all is antiaircraft defense, especially against the increased danger of low-flying attacks. This had been neglected for a long time. Procurement of 300 25-millimeter quad-barrelled guns has been initiated but not yet completed. These self-propelled gun carriages built on the M-113 APC chassis, together with Stinger SAMs, are said to afford the urgently needed protection for armor troops on the march in the battlefield. Military bases, especially airports, are to be equipped with Italian-made ASPIDE and SPADA SAMs. These correspond to the German-French ROLAND. Air defense at middle and higher echelons using NIKE and HAWK [systems] is in need of modernization. Here, as in other NATO countries, there is a conceivable solution; that is, that the USA provide the new PATRIOT SAMs and that Italy service them.

Communication and intelligence equipment is just as unsatisfactory as night vision equipment, all equipment for battlefield surveillance and ABC protection. Old criticisms by experts have been reaffirmed in the Italian Defense white paper being released currently. Progress can be achieved only very slowly in this area. However, money for the development of the CATRIN communications system has been authorized. The deterrent credibility also suffers because of lack of spare parts and ammunition--a condition which, with the exception of the USA--can hardly give rise to criticism by other NATO countries: almost all of them are faced with similar difficulties. The situation for antitank defense is starting to improve. The completely antiquated bazookas and recoilless rifles with their low range and limited penetration will be replaced with MILAN and TOW missiles by 1986. Italy regrets that the Germans and the French are developing a new combat helicopter instead of relying on the Italian version.

According to foreign observers, training of Italian soldiers is good. Discipline and drill are still valued here to an extent that is no longer usual with troops in other countries. Leadership methods could be regarded as feudalistic. Principles of "internal leadership", as known in the FRG armed forces, are only now being gradually assimilated. Troop welfare was neglected for a long time. Adjustments in pay were dragging, transfers were almost impossible because of difficulties in obtaining quarters. Changes are being made in this area. Italy also needs--according to Chief of Staff Bartolucci--more long service volunteers as the backbone of the armed forces. Nevertheless, morale among the troops was not bad up to this point. Many complained about the meager pay; however, security still made the soldiering career attractive.

According to the reform plan of the Italian Ministry of Defense, closer coordination is to be reached among the different elements of the armed forces. For this reason, Rome is keenly observing the British attempt to re-allocate authorities within the committee formed by the joint chiefs of staff. In Rome they also want to upgrade the position of the chief of staff.

Italian Chief of Staff Bartolucci points out that Italy has to increase its troops not only in the northeastern part of the country, but in the southern part as well. Italy now wants to secure its needed flexibility by creating a

"rapid deployment force". The need for this force, which would be of brigade strength, is being publicly justified as a precaution against natural disasters. However, some things here seem to be more a product of Italian word power. More accurate inquiries reveal that the strength shrinks and it becomes clear that we are not dealing with new units, but only with precautionary assignments for the ones already in existence.

The Italian generals are confident anyway. Their task, however, is facilitated on the land front by Italy's geostrategically favorable location: the Mediterranean and the Alps offer protection. A major offensive is only conceivable in the Udine and Gorizia areas--from Hungary and through Yugoslavia and Austria. The few possible invasion axes are narrow. Furthermore, the Italian defense can form echelons and depend on the chain of natural obstacles. A long time ago they openly built fortified positions and bunkers in the passes and ravines in which the Roman legionnaires had erected a "limes" [border]. Mobile defenses can also group around these points.

As one hears repeatedly in command circles, the decisive factor is to prevent the breakthrough into the northern Italian plain. For only here could Soviet troops launch their tank superiority. Italy must, therefore, try to hold the Alps and the 50-kilometer-wide area between the foothills and the Adriatic. Forward defense is a matter of course for the Italians; it is already dictated by the geography of the country.

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with possibilities of extension or intensification all according to Moscow's assessment of gain in those situations which could arise. A little insight into the longterm objective and political thinking behind this activity is gotten via a book by Lev Voronkov, "Nuclear-Free Status and North Europe," which was recently published in Moscow in five languages (reported in AFTENPOSTEN on 11 Oct). Voronkov is stated to be a researcher and specialist in Scandinavian relations at the Institute for International Politics and Economics in Moscow. After a sort of analysis of individual aspects of the security policy in all the Scandinavian countries, Voronkov questions the entire security system in the region since 1949. It is nothing less than the very idea of a "Scandinavian balance" which is debated in Voronkov's book.

Scandinavian Balance

Perhaps especially in Norway, the conception that there is (and ought to be) a sort of "Scandinavian balance" has slipped in as a part of daily habitual thinking, something which is taken for granted as a reasonable arrangement and which we figure that the outside world also does. It can certainly also not be ruled out that the notion of a "Scandinavian balance" perhaps has had some features of wishful thinking in it. Because we ourselves within the Scandinavian family have thought that the arrangement has functioned well, we have thereby made the mistake of imagining that the notion has also been politically accepted in Moscow: not only as an actual situation the Soviet leaders came to terms with as long as they did not perceive it as too great a hindrance to their own interests, but also as an arrangement which regulates legitimate security interests for everyone to a reasonable degree. Voronkov now reports that the idea of a "Scandinavian balance" is not accepted in political quarters in Moscow. According to the thinking there in central quarters, the notion is an expression of military confrontation and status quo thinking. The Scandinavian balance also does not send out signals regarding peace and stability as Moscow sees it, but just has the purpose of covering up an American military buildup in the area. Norwegian self-imposed restrictions are just cosmetic measures intended for domestic opinion. Voronkov calls for an entirely new arrangement for all of Scandinavia: A nuclear-free zone guaranteed by the superpowers should be established, Norway should dismantle installations which can be used by allied forces, and Sweden should enter upon a more "active neutrality policy," i.e., a policy on Soviet terms. Of the Scandinavian countries, only Finland receives laudatory mention.

Longterm

Voronkov's book seems to reflect longterm political goals for Scandinavia in central quarters in Moscow. In superficially mentioned form, Voronkov in terms of subject matter expresses the same security policy thought patterns which from time to time have turned up in Soviet quarters since the 50's. The idea of a nuclear-free zone has roots way back and can be considered a partial objective on the way toward making Scandinavia a neutral region with its status guaranteed by the superpowers. In that case, an idea which former Premier Nikita Khrushchev had already given consideration to in a speech at People's House [Labor Party headquarters] during his visit to Oslo in 1964.

ARMS CONTROL

NORWAY

SOVIET MEDIA CAMPAIGN FOR NORDIC NUCLEAR FREE ZONE VIEWED

Oslo AFTENPOSTEN in Norwegian 4 Jan 85 p 2

[Commentary by Olav Tryggve Storvik: "Moscow's Game with Scandinavia"]

[Text] This fall attention was again devoted to Norwegian defense and security policy in the Soviet media, which repeated old cliches regarding an ostensibly new base policy and complaints about military exercises. As far as that goes, the play deserves little attention beyond statistical recording, if it were not for a couple of coinciding events. This concerns, among other things, the contribution to the debate in the Danish press. The plays have also been made topical by the missile episode in Finnmark and North Finland.

About the same time, General N. Chervov, Soviet General Staff press spokesman, published a rather long article in the Danish newspaper INFORMATION, where especially Denmark's security policy, but also Scandinavia besides, was depicted in a special manner. In an editorial comment the paper says that Chervov's article was written especially for the Danish press, and information the undersigned had received indicated that the general had been instructed to write by the Soviet embassy in Copenhagen.

Chervov's contribution is thereby one of the few known examples of Soviet officers being directed to attempt to influence the security policy process in a Western country. The article was also skillfully timed, since it came about the same time as the Copenhagen conference for a Scandinavian nuclear-free zone and publication of a report with pithy characterizations of Denmark's behavior within NATO from prominent Western politicians. Chervov does not polemize--wisely enough--but he calls to mind the "unreasonable" demands which are being placed on Denmark and NATO's "dangerous" security policy. The same goes for Norway, which according to Chervov is also constantly being drawn further into NATO's, and especially the USA's, offensive plans toward the Soviet Union.

Deliberate Policy

The plays in independent media and in Danish INFORMATION can hardly be interpreted as anything but examples of a deliberate policy toward Denmark and Norway in order to influence opinion in the desired direction. For the present, to be sure, the activity is being kept at a low, but pronounced, level

Former Foreign Affairs Minister John Lyng mentions that the same suggestion turned up during a somewhat stormy meeting with Soviet Premier Kosygin and Foreign Minister Gromyko during the visit to Moscow in the fall of 1966 (John Lyng, "Mellem øst og vest" [Between East and West]). Lyng mentions here (p 169) that the idea of a guaranteed neutral status for Norway was not only taken up in the official talks, but that it made a special impression on him that Kosygin took up the matter again during a personal conversation after the meeting. Voronkov now intimates that the same objective is still of interest.

The question then becomes to what extent an operative policy in this direction has been worked out toward the Scandinavian countries. In the case of Denmark and Norway it could be shown to start with that the activity in this direction is being kept warm at a low but well defined level by making use of the media in the longterm formation of opinion. In relationship to Sweden, the high and continual number of violations of Swedish air and sea space, in addition to possible other motives, can also be interpreted as attempts at political influence. There is for example, a direct connection between the Soviet submarine violations and the Swedish government's peculiar redistribution of armed forces funds from the air force to submarine detection. It is difficult to see this as anything but a weakening of Swedish military preparedness.

Besides, the Soviet violations have given impetus to a searching debate in Sweden in which questions are being asked about the very fundamental premises of relations with the Eastern great power. This is a debate which is taking place on many planes, some of which become public knowledge, but where much is also hidden. The outcome of the debate is of course still not known, and signals in several directions should probably be counted on before the longer-term consequences of the Swedish reassessment which is now taking place come into view.

The missile episode of the last few days can also be assessed in this connection. But everything indicates, as far as is known now, that this is a question of an accident, of a human or technical error, and not a deliberate provocation. All the same, the episode raises many questions; among other things, it is topical to point out that we do not have any suitable defense against such missiles in Finnmark the day this could be a question of seriousness.

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ARMS CONTROL

NORWAY

POLLS SHOWS STRONG SUPPORT FOR NUCLEAR ARMS FREEZE

Oslo ARBEIDERBLADET in Norwegian 27 Dec 84 p 6

[Article by Gunnar A. Johansen: "Distinct Majority for Freeze"]

[Text] Four out of five Norwegians support the so-called freeze position in the arms reduction debate. "Freeze supporters are in the majority in all parties represented in the Storting." This is indicated by a poll which the Norwegian Opinion Institute (NOI) conducted for ARBEIDERBLADET.

Compared with an equivalent poll conducted one year ago, the support for the freeze idea is rather stable. But the freeze advocates have certainly become more confident in their cause. This is indicated by the fact that there are more who declare themselves "in total agreement" now than one year ago.

Distinct Majority

The NOI poll leaves no doubt that it is a distinct majority of the country's people who support the freeze position in the nuclear weapons debate. Sixty-one percent declare themselves "in total agreement" and 17 percent "in agreement"--a total of 78 percent--with the freeze position. The respective figures for a year ago were 54 and 26 percent--a total of 80 percent of freeze advocates. This is, to be sure, a 2-percent decline, but at the same time the "in total agreement" group has increased considerably over the last year.

Ten percent of those asked answered "not in agreement" or "totally not in agreement." This is six percent fewer than one year ago. The "do not know" group has increased from 5 to 13 percent.

The Question

The poll was taken in November of this year, whereas the last one was taken in August 1983. The question was exactly the same for the two polls. It goes:

"Those who are fighting to permanently freeze the nuclear weapons arsenals at the present level claim that both the USA and the Soviet Union already have enough nuclear weapons to destroy one another and for this reason want

to ban the testing, production and deployment of more nuclear weapons on both sides. What is your view?

All Parties

The poll shows that the government with its position on the freeze idea in international forums is on a collision course with its own voters. A distinct majority in all three government parties supports the freeze. As far as the Conservative Party is concerned, there are 69 percent who declare themselves in agreement and only 17 percent who declare themselves not in agreement. For the Center Party and Christian People's Party there are, respectively, 84 and 71 percent who support the freeze position. The "no" figures are, respectively, six and four percent.

The biggest majorities for the freeze are in the Socialist Left Party--88 percent, the Liberal Party with 85 percent, and the Labor Party with 84 percent. The freeze has the weakest support in the Progressive Party, where the majority for is 59 percent, while 33 percent of Progressive Party voters disagree with the freeze position.

"Not Surprised"

"I am really not very surprised that so great a percentage of the people want to permanently freeze the world's nuclear weapons arsenal," Defense Minister Anders C. Sjaastad says in a commentary on the poll from the Norwegian Opinion Institute,

"It depends a little on how the question is put. If it is asked whether there are enough nuclear weapons in the world today, I have no doubt that very many will answer yes. But the real question is in fact how it is possible to have the number of nuclear weapons reduced as much as possible," Defense Minister Sjaastad believes.

"The government believes that nuclear weapons should rather be reduced instead of permanently freezing the existing arsenal. Accordingly, we have a more ambitious goal than the freeze movement," Sjaastad tells the Labor Press. The poll from the Norwegian Opinion Institute, he believes, just expresses the fact that everybody wants to have fewer nuclear weapons.

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POLITICAL

CYPRUS

BIRAND RAPS ANKARA FOR FOULING DENKTAS SUMMIT SUCCESS

Istanbul MILLIYET in Turkish 25 Jan 85 p 7

[Article by M. Ali Birand in the column "Corner": "We Lost No Time in Making First Gaffe on Cyprus"]

[Text] For the first time in a long time, the Turkish side had the winning tactics to come out ahead in the New York Summit.

The view of the international press, which usually accuses Denktas and Turkey of intransigence, was that the Summit had failed because of Kyprianou's attitude and Athens had refused to help because it "did not want a Cyprus agreement" now during election campaigns. If UN Secretary General Perez de Cuellar had risked a second summit to scold Kyprianou more harshly before the world press, that is, if he had fully explained the facts without covering up for the Greek Cypriot leader, the points won might have been even higher. However, it is hard to expect this from a UN secretary general. He could not have done this at the expense of the requirements of his job and losing a settlement on Cyprus all together. Nevertheless, Denktas got overall good marks. A basic goal of the Turkish side, at any rate, is this: to erase its negative image in the world press.

Our image was particularly improved vis-a-vis the Western capitals also. To them, the sole responsibility fell on Kyprianou and, without naming names, they made their positions clear in statements to the press. All the Western pressure was directed to the Greek Cypriot leader. Not one telephone call (for the first time) came either to Denktas or the Turkish delegation during the talks in New York. Though the outcome was obvious, they brought all their pressure to bear on Athens and the Greek Cypriot administration and began trying to set affairs in order for a second summit. Still, the Turkish side's goal in offering concessions to the UN secretary general was this: to avoid Western pressure (especially from the U.S. Congress) and to bring the Cyprus problem round to the process of talks at a working group level.

Denktas, being well aware of these subtle implications, spoke with extreme moderation at the press conference held immediately following the Summit and, after stressing that "a new situation has arisen," said that before rejecting a second summit it was "necessary to go back, review events with parliamentary and political leaders and make a decision accordingly." Without mentioning that steps toward independence, on which he has declared a moratorium, would resume immediately, he waved the sword of Damocles and said, "My community will decide on this."

The one point he stressed clearly was that "even if there is a second summit, it can take place only by approval of the secretary general's latest draft; if a new situation of negotiation arises all the concessions will be withdrawn and negotiations for a new agreement will begin."

In fact, he played his cards very well.

And wouldn't you know, Ankara would have to butt into this delicate balance.

Not 10 hours after Denktas' press conference, Ankara sent this instruction to our ambassadors in the Western capitals most closely concerned and influential in the matter:

"The UN secretary general's agreement draft is no longer valid. The concessions offered by the Turkish side have been withdrawn, as Kyprianou, who bears the responsibility for this situation, having refused to accept the agreement, did not keep his word in New York."

You can guess the reactions when this message, recalling a bull in a china shop, was conveyed to the Western governments.

1. First of all, won't the doubts start piling even higher about who is really making the decisions regarding Cyprus? East and West alike, won't they say, "Denktas had hardly made his decision. Yet, if Ankara is announcing this decision, it means that Ankara is actually running Cyprus affairs."
2. Won't the Turkish side now be placed on the same side of the scales with the Greek Cypriots who wanted to get out of this agreement? How else can one explain this haste before a full post-summit review was even made?
3. Who can guarantee that the agreement would be cancelled by this attitude and that the same agreement under a different name, but less favorable to us this time, would not force us to make new concessions on at least one or two of the points Kyprianou wants so bad (military withdrawal, guarantees, territory and freedoms) or at least to consent to a more progressive text than the old draft? No matter how much we claimed it was this draft, we would convince no one but ourselves. The name and terminology will be changed and presented to us again.

Kyprianou is probably thanking Ankara right now. All the pressure would have been on him alone, but, thanks to Ankara, some of it in this way will turn on Ankara and the Turkish Republic of Northern Cyprus. So, he will perhaps be able to avoid this agreement that he never wanted anyhow and share the blame with the Turks.

Papandreou must be happy, too. He will be able to avoid the "advancement on Cyprus" image that he does not want and regain the points he lost in Congress.

Turkey ought not to be very happy. If it had wanted to kill this agreement, then one can only say, "Why didn't you think of that beforehand?"

We made the first gaffe. If we go on this way, we will most assuredly move significantly towards making "Denktas, who is seen as fair, unfair" and making Kyprianou, who bears the blame at present, into the "peace maker."

This weird approach reeks all over of Ozal's personal politics.

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POLITICAL

DENMARK

SCHLUTER DEFENDS GOVERNMENT'S TACTICS TO MAINTAIN POWER

Copenhagen BERLINGSKE TIDENDE in Danish 17 Jan 85 p 7

[Op Ed Article by Poul Schluter, prime minister of Denmark: "Should We Have Had An Election?"]

[Text] Yesterday I said that the Quartet Government could hardly be overthrown by the leftwing. On the other hand, that which could cause difficulties for the Quartet Government over the long term is if the extreme right-wing should create a feeling of sulkiness, dissatisfaction or discouragement among the nonsocialist voters by placing the government's positions and intentions in doubt because of individual issues.

As an example of what I am thinking of I will quote what was written by Director O. Friis Jensen here in BERLINGSKE TIDENDE last Tuesday:

"It is really terrible to see a nonsocialist government continuously carrying out social democratic policies, but now hardly enough without the well-known 10 percent. It is really worse than seeing the real socialist product served by a Social Democratic Government, which we have experienced for so many of the past years with such catastrophic results."

I firmly do not believe that is a reasonable characterization of the policy which the Quartet Government has followed and carried out during the 2 years it has been in office.

The Social Democrats allowed public expenditures to increase steadily and strongly without criticism, year after year. The Quartet Government has made massive savings and stopped the growth of public expenditures. While the Social Democrats allowed the public sector to confiscate a steadily growing part of production, we are now going full speed to create a better balance between the private and the public sector.

The Social Democratic Government allowed the national deficit and borrowing to grow strongly year after year. We inherited a budget with a deficit of 80 billion. We have reversed that development, so that in 1985 we will have a deficit of about 35 billion.

The Social Democratic Government talked enough about income policy, but had neither the courage nor the will to make provisions for a really effective income policy. They accepted an annual inflation rate of about 10 percent, to the detriment of both employment and the balance of payments. The Quartet Government has, by an active and effective program, cut the inflation rate in half--to a level where we have a real chance to improve the competitive ability of the Danish workplace.

It is a policy which has been advantageous for all parts of Danish society--and also for Danish business.

Optimism and energy have been brought to life again. Business investments, which had reached a minimum, are quickly on the way up again. The steady growth of unemployment has been replaced by a decline in unemployment. The strong increase in the number of bankruptcies and composition schemes enforced by a majority of the creditors has been replaced by a drastic decline.

These results have not been achieved by following social democratic policies, neither minus 10 nor 20 percent.

These results were achieved because the quartet parties have been able to work out and largely carry out an entirely new policy which reflects the positions and viewpoints of the four parties.

There is a firm conviction in the Quartet Government that we will do what we can to hold the majority which will ensure that the new policy will be carried out in the coming years--a majority which of course does not consist of the quartet parties alone.

We would decisively fail the Danish people--and our nonsocialist voters--if we threw off the reins and exposed the country to the risk of new powerful increases in the public sector, to the risk of new increases in the national debt and to the risk of new wage inflation.

It is inevitable that this superior viewpoint can begin to influence our attitude on individual concrete issues, in which we confront a majority which wants to put through legislation which the government opposes.

For example allow me to use the holding law and the decision about the retroactive power, which was inserted by S [Social Democratic Party], SF [Socialist People's Party], VS [Left-Socialist Party] and RV [Radical Liberal Party].

It was these four parties which carried through the decision that the law would have retroactive power for the entire 1984.

The government parties were clear opponents of that rule. Their spokesman and tax minister argued intensely against it, and appealed strongly to the Folketing to abandon the decision.

All four government parties voted on the second reading against the proposal to change, which gave the law retroactive power.

But there was a majority in the Folketing which approved the decision against the votes of the government parties.

What should we have done in that situation? Should we have called for an election--and thereby brought ourselves in decisive opposition to the Radical Liberal Party?

Thereby we would have decisively brought the continuation of the reestablishment policy into danger. According to my best convictions that would have been irresponsible for our voters.

We could naturally have demonstrated by voting against the law which we had presented ourselves, which we furthermore found reasonable and correct. But That would not have changed reality--the law in any case would have been approved with retroactive power.

Naturally that does not mean that the Quartet Government is willing to accept any resolution put through the Folketing against the votes of the government parties. For example, there should not be any doubt that the government will take up the battle with all constitutional means, if a majority approves measures which decisively interfere with the freedom of business and the possibilities to make necessary arrangements in a sound businesslike way.

But if nonsocialist Denmark is to have influence over developments here in this country, we must respect parliamentary realities that we confront.

We can neither follow extreme rightwing policies nor dogmatic liberal policies. The nonsocialist parties should seek the middle. In this way they can have influence. And they can follow a middle policy with a nonsocialist liberal basis.

We can learn a lot from our opponents. When the Social Democrats turned too strongly against their leftwing, they totally lost influence.

Exactly the same thing would happen if the quartet parties began to orient themselves in an ultraconservative or an ultraliberal direction.

All of us who have a nonsocialist foundation should understand this and work from it. Otherwise we run the risk of turning developments over to the Social Democrats and the leftwing parties once more. That would be a momentous responsibility. I see it as a task to make the quartet time into much more than an episode in Danish history.

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POLITICAL

DENMARK

SDP SPOKESMAN AUKEN: SCHLUTER GOVERNMENT FIRM IN POWER

Copenhagen BERLINGSKE TIDENDE in Danish 26 Dec 84 Sec II pp 1-2

[Article by Dan Axel and Ole Dall: "Facts and Fiction According to Auken and Helveg"]

[Text] According to a practical Christmas joke: The government will remain in power for the next 3 years, the four-party coalition can expect support from the Radical Liberal Party after the election, and the Social Democrats foresee agreement on tax reform next fall.

"In 10 to 12 years, Denmark will be led by a Social Democratic-Radical Liberal government with Svend Auken as prime minister and Niels Helveg Petersen as foreign minister. Is this 'Fact' or 'Fiction'?"

Equipped with signs and seated on a sofa in Svend Auken's Christiansborg office, the two politicians played right along with the joke: Helveg Petersen did not lose much time getting out the "Fiction" sign, while Auken continued to squirm on the sofa in intense thought. He needed a "Perhaps" sign, which was not available, but at last he decided to answer "Fiction."

"If there were not staid persons in the government I would have answered 'Fact'," said Auken, and Helveg Petersen admitted that, in this case, he too would have had problems choosing a sign.

When the relationship between the Social Democratic Party (S) and the Radical Liberal Party (R) is particularly cool right now, it is at least not due to the personal relationship between Auken and Helveg Petersen. Some 2 hours of relaxed conversation--with BERLINGSKE TIDENDE as a "witness"--underscored that they get along well. In short, "the chemistry" is right.

Neither do they lack the will to bridge the rift between S and R, but they disagree on the reason for the break in the traditionally close cooperation spanning decades, which, for the time being, makes the come-back of a Social Democratic government impossible.

And the Socialist People's Party (SF) is the principal reason for Helveg Petersen's cool refusal of the "alternative"--a close cooperation between S-R and SF--which Auken strongly supports. "As far as I am concerned, SF has increasingly become a ultra-modernistic decorative object in Danish politics. It cannot be used for anything because its outstanding obligations are so high they cannot be paid back. Therefore, it is interesting to see that the Social Democratic Party is beginning--perhaps somewhat late--to acknowledge that this is where the problem lies. And the Social Democrats are not tackling it properly by accepting more or less the SF party line. The Social Democratic Party must involve itself more concretely in political decisions, exert influence--in order to gain more popular respect," said Helveg Petersen.

Auken is not as pessimistic about SF's future role in a nonsocialist government alternative. However, he feels that SF can only be a government support party after having clarified its position on defense, the EC, the revenue policy and the government spending policy.

"SF is wrong in trying to leave it to us to find a middle ground between SF and S. This cannot be done! When we have some answers--and they have none--you cannot conclude that half of the song has been sung. The other party must likewise sing its song in order to establish whether there might be harmony of some kind in such a cooperation," said Auken.

Helveg Petersen: "Frankly speaking, the Social Democrats have become afraid of SF's growth. Their action was paralyzed because they clearly did not want to get involved in a revenue-policy conflict with SF after the 1981 election--and thus we did not really make any progress."

Whimpering

The political spokesman for the Social Democratic Party--often referred to as Anker Jorgensen's "crown prince"--also feels that the Radical Liberals must take some of the blame for the poor relationship between S and R.

"On the one hand I feel it is perfectly alright for the Radical Liberals to decide they want to cooperate with a nonsocialist government. But back then I could not imagine or foresee that it would be used for a completely one-sided attack on the most disadvantaged in our society.

"And neither would I have believed that the Radical Liberal Party--which has always talked about broad solutions--would accept government policies which totally ignored the opposition in Parliament as well as that of organizations on the outside," said Auken, who was immediately accused of "whimpering" by Hervege Petersen.

"Many Radical Liberal Party voters would like to see a close cooperation between R and S. This is rather obvious. But they cannot see it as long as the Social Democrats write programs that deal exclusively with serious economic problems but, in practice, do not try to live up to them.

"What we miss in the Social Democrats as it were is the ability to accept facts: namely that we are faced with a lot of problems--deficits and unemployment," said Helveg Petersen.

Auken: "We are not whimpering. And the fact is that each time the government has included the Social Democrats in a proper, normal debate, results have been forthcoming. Thus, what Niels Helveg says, that they cannot negotiate with us and that we are not ready to cooperate, is not correct. The real income tax, the defense agreement, the broad-band and the hybrid network as well as the energy policy show something else."

Polarization

Auken and Herveg Petersen share the fear that the crisis, together with growing demands on the individual will create a polarized and split Denmark.

Contrary to Herveg Petersen, Auken feels that the government's policies have helped split Denmark into two factions, which no longer can "talk to each other."

"Today many people feel that--although Denmark is becoming richer--they are not getting enough consideration. How can those who continually praise Schluter and talk about the country's progress communicate with 'the others'?"

"I consider this to be the most dangerous split of all. It affects people's minds; they become discouraged, frustrated, confused and split. An entirely unfortunate development.

"This problem is almost more important than anything else in the field of domestic politics. Our task is to bridge this split, provide consensus--'samforstand' in Swedish, while there is no word for it in Danish.

"This would be the mechanism, the putty in a society which is solidifying and being destroyed. And when the Radical Liberals--who have always supported these ideas--also fail, people are saying what is the use of it all, nothing can be done about it," said Auken.

Herveg Petersen: "I agree that splitting the society is a central problem. But, basically, I do not agree that this has anything to do with the arrangements we have made with the government. It rather has to do with problems, savings and all that.

"However--the outlook for social development, which concerns me, is precisely what Svend says. Precisely that. However, I feel the reason for it is that more and more is required of the individual worker today.

"And I am certain that more and more will be unable to meet these requirements--if we do not seriously concentrate on the area of education--and particularly adult education in the next 10 years. Otherwise, I too fear we will have a very, very serious situation in Denmark."

Reforms

There is much agreement on the dangers lurking with respect to a future society, but this cannot entirely erase current disagreements about the labor regulations enacted by the government with Radical Liberal support--excluding the Social Democrats.

Auken: "If we had been included in the debate on long-term unemployment, I am certain that we too could have submitted one or two good ideas on how to solve the problem.

"But we were not. And we would also like to be part of the upcoming daily allowance debate. May we Niels?"

Niels Helveg Petersen: "Of course, I hereby solemnly promise that we will demand serious negotiations on the issue of changing the daily allowance payments. Labor market representatives will also be included in these negotiations."

The Radical Liberal Party leader firmly believes that the Social Democratic Party should be asked to "face the music" more--participate more in decisions that "are painful" and unpopular before new and close cooperation between S and R can be resumed.

"As far as the present government is concerned, we have found that it is prepared to "face the music" with us vis a vis the people. It listens to the advice we give--and deals reasonably with us. So, in spite of the ideological differences, we have developed a good cooperation," said Herveg Petersen.

Auken: "Yes, this is easy enough when all you do is kick the third party in the shins. When did the government directly annoy its own voters--and face the music? And when did the Radical Liberals show the courage to demand anything that would annoy the government, like profit distribution in connection with the labor negotiations? Here they are prepared to take quick action, while calling for temporary measures for another 10 years in an area where their own voters would be affected by a change in interest deductions."

Although Niels Herveg Petersen admitted while talking to Svend Auken that he--in a given situation--would agree to be minister only in a Social Democratic government and never a nonsocialist government, his answer to this question about the future was "Fiction": "Would Niels Herveg Petersen be foreign minister in an S government led by Svend Auken in 10 to 12 years?"

There was greater agreement between the two about broad support for radical tax reform as early as next fall. This will not be achieved without some difficulties--Petersen himself referred to the above-mentioned temporary measures as one area of difficult negotiations--but the will to agree is very much in evidence. Two times "Fact."

With a quick "Fiction" response from Auken and an exceedingly slow, doubtful and smiling "Fact" response from Herveg Petersen, it was established--in terms

of this little Christmas joke--that the Radical Liberal Party leader believes the government will remain in power, will solve the economic problems--as promised--and that a 4-party coalition government also can count on Radical Liberal support after the next election.

Auken: "Yes, it looks like the Radical Liberals have assured the government it can complete its term. It is more important to determine whether we now have a situation in Danish politics where the Radical Liberals will remain on the side of the nonsocialists for a long time. I hope not."

Helveg Petersen: "We are not a safety net for the nonsocialist government, but we have always supported a position which enables the elected Parliament to function. We also feel that--at this particular time--we have a tremendously big chance to turn Denmark away from the many economic problems we have become used to. And this chance must not be wasted. Even Auken must accept the necessity of dealing with a nonsocialist Denmark."

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POLITICAL

DENMARK

LEFT-SOCIALIST PARTY CONGRESS MAY DECIDE FATE OF PARTY

Danger of Splitting

Copenhagen BERLINGSKE TIDENDE in Danish 2 Jan 85 p 7

[Article by Solveig Rodsgaard "Left Socialist Party Fights for Life"]

[Text] A group of prominent Left Socialist Party Members have now prepared a proposal for the party congress which will be decisive for the future of the party.

The Left Socialist Party's 14th congress in May will be a make or break point for the party. One group of prominent Left Socialists is presently trying to shape the party, and on January 12 they will meet to work out the proposals concerning the party's future which are to be put before the congress. If these proposals do not win the support of the congress, the party will presumably be split.

This evaluation comes from legislature member Steen Tinning, who is part of the group of Left Socialists who are attempting to resurrect the party. A few months ago the group put together a statement regarding the party's future, signed by 60 people. As of today, barely 150 Left Socialists have signed the declaration.

One-time legislature member Preben Wilhjelm initiated discussion regarding the party's situation, and among the first signers were four of the group's five members--Steen Tinning, Jorgen Lenger, Anne Grete Holmsgard and Keld Albrechtsen. The fifth member, Elisabeth Bruun Olesen, has stated that the salvation plans serve to confuse the debate within the party.

Holding Their Breath

Steen Tinning says that the party has been deteriorating over a long period of time.

"More people are leaving the party than are joining. I think it is likely that our initiative is making people who wish to join the party hold their breath to see how things are going to go for the Left Socialists. They are holding their breath until the congress in May--but if nothing is decided at that time, something will happen. For one thing, it is certain that the

congress will arrive at a clear position with regard to democracy and socialism. If people are still unsure as to the party's position on democracy and socialism, the trend towards party dissolution will increase," says Steen Tinning.

Democracy

The question of democracy and socialism has been skirted at the two previous party congresses. Both times Preben Wilhjelm has been among those who have taken the initiative to propose a resolution, and both times a majority of the party members have voted to reject the proposal that democratic rights and guarantees should include everyone--including those who were in power--after socialism has gained ascendancy.

"The socialistic and democratic objectives cannot be cast aside, at least not yet. History indicates that abandoning these principles leads us away from the socialistic 'council democracy', with self-management and decentralization, which we are working to achieve," states the declaration which the "rescue group" drew up last fall.

Among those things which the group believes to be necessary for the recreation of the party are new rules pertaining to the party as a "tool." The party must be more open. This can be achieved by making the party's internal debate papers available publicly. In addition, the much-discussed education of new members should be an offer rather than a duty, as it is today. A number of well-known Left Socialists have taken exception to this education, and to the demand that party members take part in activities because they feel that only young, male college students with no family obligations will fill the ranks of the party.

The Left Socialists, who received 2.7 percent of the vote in the elections a year ago, received the support of a borderline 2 percent in the last Gallup poll.

May End 'Rotation Principle'

Copenhagen INFORMATION in Danish 3 Jan 85 p 1

[Text] The Left Socialists have decided to dispense with the rotation rules in the party's bylaws in order that the party's mayor of municipal division 4 of the Copenhagen municipality, Villo Sigurdsson, can run again for election to that post in the municipal elections which are to take place on November 19 of this year.

The party's rotation rules state that members cannot reseek salaried positions in government or business after they have held them for 7 years. This was the reason why Steen Folke and Preben Wilhjelm had to withdraw from the legislature elections in January of 1984. As of March of this year, Villo Sigurdsson will have served as mayor for seven years and he will thus also fall under the dictates of the 7-year rule.

The Left Socialists have nevertheless begun discussion in the party's Copenhagen precincts concerning the possibility of voting to allow Villo Sigurdsson to seek re-election to his post as mayor anyway. This will mean that the party's upcoming congress a month after Easter will concern itself with a special dispensation with regard to the 7-year rule in the case of Villo Sigurdsson.

Will Save Fourth Division

Villo Sigurdsson told INFORMATION that he himself is in favor of his running again as a candidate for mayor in spite of the rotation principle.

"At least for an interim period, so that I can resign as mayor in the coming election period. The decisive argument for my running again is that a mayor who is reelected automatically controls his own division. The fourth division is worth saving, particularly now they are regaining control of local planning," says Sigurdsson.

"In addition, division 4 is probably the division where the most decisions are made. This gives me, as mayor, a good deal of power."

Villo Sigurdsson says that the Left Socialists stand to lose division 4 if he does not run for re-election. He is afraid that both the Social Democrats and the Conservatives will attempt to seize the post if he is not reelected.

The Rule Is Good Enough

"But isn't it a little shady to break a democratic principle in the Left Socialists' own bylaws?"

"The rule is good enough per se. On the other hand, you could say that the rule is a bit of a luxury, given the size of the party. It would be of more value to a large party, such as the Social Democrats, where there really are professional politicians. I think that it would be good to get some new blood in the office, if I were to resign in the middle of the next election period. I cannot supply new input for that much longer. As far as I am concerned, it doesn't matter whether the rotation principle applies for seven, eight or nine years. It is the principle that matters," concludes Villo Sigurdsson.

The Left Socialists' Copenhagen party leaders will decide the question of Villo Sigurdsson's running again at a major membership meeting in the middle of February.

Villo Sigurdsson was the biggest vote-getter in the last Copenhagen municipal election, receiving over 21,000 votes.

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POLITICAL

DENMARK

SOCIAL DEMOCRATS' OPPOSITION ROLE WEAKENED BY INTERNAL DIVISIONS

Copenhagen BERLINGSKE TIDENDE in Danish 5 Jan 85 p 10

[Editorial: "Party Has a Position"]

[Text] As you know, the Social Democratic Party is having a great deal of difficulty adjusting to its role as an opposition party. It is now where other parties have been over the years. But the Social Democratic Party's problem is not just having difficulty deciding whether it should keep its arms folded or whether it should engage in active opposition, the party's problem is that it is totally unclear about where the various party forces are moving, with what force and with how many horses.

Mogens Camre and Mogens Lykketoft are the latest examples of this. Camre is the party's finance-policy spokesman, while Lykketoft handles tax policy matters. In desperation over having lost its real influence on economic policy, it has become a party practice to view the country's economic development with increasing pessimism. This was emphatically demonstrated by the party chairman's New Year statements. It was also demonstrated last summer when Camre spoke of the need for economic intervention and pointed to compulsory savings as a means. During the fall, however, he abandoned this idea and explained it by declaring that when his party had taken a position on something it was not its practice to change it.

Either Camre changed his position without telling the others about it or Lykketoft was unaware of it because, less than a month after Camre's statement, Lykketoft advocated the need for compulsory savings. He declared that, as far as he was concerned, this was Social Democratic policy.

It must be Camre's and Lykketoft's problem to ascertain what the Social Democratic Party's position will be from this point on. As you know, the party has a position until it takes up another. But this becomes a general political problem when the Social Democratic Party on issue after issue has so many positions that not even the party's most entrusted men can find out what the old one was and what the new position is. This speaks of a party unable to find a tenable course, and it speaks of a party leadership about to totally lose its grip on both the party apparatus and the parliamentary group.

The explanation for the fact that things have reached this point is obviously that there is no chance for Social Democratic influence on the issue in question. Both the government and the Radical Liberal Party clearly understand the momentous problems connected with compulsory savings as a means of finance policy. Hence, the Social Democrats can continue to discharge positions almost as fast as they are conceived. And they do, but this was hardly how Jens Otto Krag saw his party's future when he formulated his bon mot.

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POLITICAL

DENMARK/GREENLAND

GREENLAND GOVERNMENT BITTER OVER COPENHAGEN BUDGET CUTS

Godthaab GRONLANDSPOSTEN in Danish 19 Dec 84 p 6

[Article: "New Cold Front between the Minister and the Government"]

[Text] The reason is the cuts of 30 million kroner in the Ministry's next year's working and construction budget for Greenland -- savings that will affect employment, and which, in the opinion of the Greenland government, it was not informed in time.

After a period of so-called good relations between Minister for Greenland Tom Hoyem and the Greenland home rule government [Landsstyret] (meaning the ministry for Greenland) and us," said Home Rule Government Chairman Jonathan Motzfeldt after a meeting with the minister on Saturday, 8 December.

Prior to that, both of them -- the minister and the chairman -- had let the good relations culminate in the signing of the concession agreement on exploration for and exploitation of hydrocarbons in Jameson Land. This took place two days before the negotiations broke down, at a time when there was no limit to the mutual affability. Now, however, "the devil is loose in town," as the saying goes. Unfortunately it is not the first time.

"We are willing to pay our share of the increasing costs of Greenland society," says the chairman. "And we told the minister for Greenland today. But we do not understand why we are to be forced to pay 30 million kroner in Greenland. Greenland's relationship to Denmark is still the same. Greenland is not a province. It is an area which Denmark is specially interested in maintaining, and which Denmark -- as concerns also economic and political conditions -- necessarily has to take into special consideration. I have tried to explain this to the minister for Greenland, but it seems that we are in serious disagreement on this."

Necessary Reductions

Minister for Greenland Tom Hoyem maintained that in view of the economic situation in Denmark cuts must be made in his ministry in fiscal 1985, amounting to 30 million kroner for Greenland. "This will mean delays in some construction tasks. We shall build less than we would have done if conditions had been different," says Tom Hoyem.

"We do think that in recent years we have cut to the bone as concerns Greenland, I admit. But we have now reached the limit, as I will admit to the home rule government. But Denmark's economic situation is such that we must correct it. This means that we have determined that in order to keep the 1985 budget down to a total of expenditures for all of Denmark to 185 billion it is necessary for all ministries to contribute, including the Greenland ministry.

This is what happens to the 30 million kroner.

The minister for Greenland is very unhappy over the fact that attempts to reach an agreement with the home rule government were unsuccessful. "I understand their arguments. We are thus each in our own situation and must guard our interests. But the real content of the 30 million kroner, in relationship to a total outlay for Greenland of a couple of billions, is manageable, being only some construction tasks."

Political Decency

The home rule chairman, on the other hand, thinks it is a question of political decency. "I do not think this government has given us a chance to assess how 30 million is now to be saved," he says, "About three weeks ago we had a national assembly session. If we had received this warning, if I may call it that, I might have spoken with our own people about how we might have been able to keep these 30 million kroner, which are our budgets in the coming year, as we know.

Today the government reports via the minister for Greenland that the 30 million is to be cut. "I think it is politically indecent to deal with us in this matter and we will not stand for it."

The home rule chairman adds that there will be coolness between the home rule government and the [Danish] government if this is to continue. "It will have consequences. It must be understood that Greenland -- Sakaeus and Benjamin and we of Greenland -- will never submit to such treatment." In response to a question on whether it could be lived with he replied: "Yes, of course. I have taken on a political task, with responsibility for the ministry for Greenland. Then occasionally there comes a little chill, when disagreements arise on some points of view. This is part of my job and part of the job the government has taken on.

"I should like to say something about what the chairman says concerning the report having been received today about the 30 million. That information was given several months ago. Only today were the negotiations completed. But this was of course said quite a long time ago," adds Tom Hoyem, who would like in the future to make efforts -- as early as possible -- to give the home rule government the opportunity to prepare financial laws for Greenland, a promise the minister has even given earlier.

Jonathan Motzfeldt asserts, however, that the home rule government was not informed in time. "The paper I was shown today, dated 4 October, was not

forwarded to us. The first time we saw it was one week ago. There is an office here in Copenhagen called the Greenland Ministry, which is supposed to forward it to us. And we did not see it until a week ago," claims the home rule chairman. This was the situation following the meeting on 8 December between the home rule government and the minister for Greenland. Assertion against assertion. But it is also clear that the figure of 30 million appears as a debit charge in the appendix to the Danish budget proposal for fiscal year 1985, presented to the Folketing about one month ago.

The question, then, is whether the ministry for Greenland remembered to inform the home rule government of the reduction in the Ministry's operation and construction expenditures in time to enable the home rule government to assess the reduction in conjunction with the presentation of Greenland's budget in the national assembly.

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POLITICAL

DENMARK/GREENLAND

DEVELOPING FISHING INDUSTRY SEEN AS KEY TO HOME RULE AUTONOMY

Zurich DIE WELTWOCHEN in German 20 Dec 84 p 9

[Article by Peter H. Pluess: "Greenland Fishes For Its Own Identity."]

[Text] For the 51,000 inhabitants of "the Land of the People", as the Eskimos call Greenland, it is difficult to find a political means of guaranteeing them a minimum of autonomy while at the same time securing their basic economic necessities. To what extent should foreign interests, be they fishing boats from the EC, oil companies from the U.S., or mineral concerns from Canada, determine the tempo and direction of development in this gigantic country? Many questions remain open, even after the withdrawal by Greenland, which is part of Denmark, from the EC at the end of 1984.

At the end of this year, the European Community will lose its member state with the largest land mass, though with the smallest population and least economic significance. The Greenlanders will carry out their previously-decided plebiscite in favor of withdrawal.

The way had already been paved for this retreat from Europe in the 1972 vote, when Denmark, at the same time as Ireland and Great Britain, proposed to its citizens entry into the European Community. At the time, the decision was crystal clear to the Danes. If they did not want to risk losing the British consumer, who preferred Danish bacon with his fried eggs and Danish butter with his breakfast toast, as purchaser of their most important export items, they would have to cooperate within the Community. But not so the Greenlanders, citizens with equal status in the northern kingdom: they had nothing to lose, and, from the beginning, wanted nothing to do with the EC and Brussels. As a result, they voted overwhelmingly against entry into Europe.

The only thing that the Eskimos had to offer the world was fish, and even without the EC there was a steady demand for this commodity. In addition, they expected from economic integration only an intensification of the competition with foreign fishing fleets that caught the fish along the icy coast, prepared and froze the catch on board, and only greeted Greenland itself from a distance. But their reluctance regarding the EC was futile. The Danes wanted to remain competitive with their butter and bacon, and overturned the negative vote of their Eskimo fellow citizens. At the time Greenland had just 47,000 inhabitants, which constituted roughly one percent of the total population of all of Denmark. And so the Eskimos became Europeans.

Since that time, the situation in Greenland has undergone decisive changes. To be sure, the Eskimos still carry Danish passports, but there has been a significant loosening of ties to the mother country. After negotiations which took years to settle, Greenland was granted home rule in 1979, a step long desired by its people. Gradually the government of Greenland has assumed more and more of the responsibilities previously shouldered by the Danish state. Just three areas of government remain now firmly under Danish control: police affairs, military defense, and foreign policy.

REJECTION OF 'DANIFICATION'; UNCOUPLING FROM BRUSSELS.

Today the Greenlanders have their own ministries for Social Legislation, Trade and Industry, Education and Culture, and for Domestic Affairs. The leader of the government and of parliament is Jonathan Motzfeld, a Lutheran pastor from southern Greenland. He was one of the driving forces supporting Greenland's withdrawal from the EC.

At the beginning of the 1950's it was the Greenlanders themselves who desired complete integration as "true Danes" into the Kingdom of Denmark. At that time this was a slogan with an honest intent. No one, neither in Greenland nor in Denmark, could have predicted subsequent developments. In 1953 Greenland was freed from the somewhat disreputable status of a colony and was welcomed with open arms as a member with equal status within the Kingdom.

Just ten years later, however, opposition to the growing Danish influence began to grow. On the one hand, the Eskimos discovered themselves moving with giant steps toward Europe. But they also noted that just about every important decision was made in Denmark. They themselves did not have much of a say. Moreover, there was a steady influx of Danes to the North Country for the construction of new projects such as hospitals, streets, and harbor installations; the Greenlanders themselves, however, remained onlookers.

BAVARIAN VILLAGE BROOK NO SUBSTITUTE FOR ARTIC OCEAN

If the process of Danification started in 1953 with a good tail wind, the prevailing political breezes of the 1960's were polar currents. The Eskimos looked with steadily increasing envy to the Faroe Islands. These tiny islands between Scotland and Iceland are also part of Denmark. They also voted against entry into the EC, and thanks to their status, they did not have to join. They showed the Greenlanders how it's done. After the introduction of home rule in Greenland, one of the first major steps undertaken by the ruling Siumut Party was to prepare the way for withdrawal from the EC.

Moses Olsen, Greenland's minister for social legislation, once stated in one sentence the reason why his country wished to forego a relationship with Europe: "We want to reestablish our self-reliance." Much more than just a simple phrase underlies these words. They not only indicate that the Greenlanders are fed up with their role as onlookers, but they also clearly reveal that it is not possible to simply transfer a foreign culture, a foreign social structure, and a totally alien way of life directly to the world of the white man. Olsen: "Though we certainly acknowledge our connections to Denmark and to Europe, we have also learned that for us, here on an ice-bound coast that is almost as long as the equator, membership as a "European region" is illogical and unfeasible."

He is convinced that loose ties, dictated by no one, are more realistic. Greenland, with its huge land mass and tiny population, still has many small settlements with fewer than 100 inhabitants. Here, hunters and fishermen still live in accordance with the rules of the natural bounty provided by the sea. Who in Europe understands this kind of culture, when there is a matter of profit to be made?, Olsen asks.

In the Danish homeland, too, the EC is by no means uncontroversial. From the Danish point of view, however, the Greenlanders must take care that their speculations and dreams of independence do not go up in smoke. After all, membership in the EC meant for Greenland over the past several years around 200 million francs in the form of subsidies, and 80 million in low interest loans. In many of the above-mentioned small settlements, electric lamps are lit today thanks to money from Brussels.

But the people of Greenland have also experienced the negative aspects of the EC: countless infractions of the protective fishing zone, which have gone unpunished to date; ever-increasing demands for higher and higher limits of size of the catch in the face of warnings from scientists not to overfish the banks of Greenland; and, occasionally, the insolence of other EC members. They have

not forgotten the arrogance with which former minister for agriculture of the FRG, Josef Ertl, took the Greenlanders to task for their reluctance to approve additional fishing quotas, because they wanted to protect their own fishermen: "As far as I'm concerned, the Greenlanders are welcome to go fishing in the brook in my Bavarian village."

SALE OF FISHING RIGHTS ON GREENLAND'S TERMS

For Finn Lynge, Greenland's delegate to the European Parliament, the situation today is quite clear: "We are neither willing nor able to sit by and watch highly developed, prosperous nations protect an industry of little significance to them, to our own detriment." He claims that it is crucially important that Greenland, and not Brussels, retain control of Greenland's fishing banks.

The people of Greenland, however, certainly do not wish to slam the door on Europe. They are now in the process of selling fishing rights along their coastline, with conditions whose observance they themselves can supervise. And for a good price, of course. After all, the Danes, even if they wanted to, are not in a position to replace the no longer available EC subsidies: right now they have problems enough of their own.

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POLITICAL

FINLAND

FOREIGN MINISTER ON SUPERPOWER TIES, 'ZONE,' COMMUNISTS

Helsinki UUSI SUOMI in Finnish 23 Nov 84 p 8

[Interview with Foreign Minister Paavo Vayrynen by Timo Lippinen: "Foreign Minister: Superpowers Do Not Need Mediators, 'Our Foreign Policy Must Not Needlessly Be Involved'"; date and place not given]

[Text] Finland has no realistic way of pursuing a more visible and more enterprising foreign policy. A self-important readiness to take the initiative would only lead to needless involvement.

This is what Foreign Minister Paavo Vayrynen assures those who long for our foreign policy of bygone years will happen.

Vayrynen regards Prime Minister Kalevi Sorsa's active role within the framework of the Socialist International as being positive, but he added:

"The superpowers do not need mediators, neither government nor party organizations. We can, of course, try to persuade the superpowers, but our influence can in no way be decisive."

Is Finland's current foreign policy sufficiently activist? This question has recently been abundantly disputed. Briefly stated, the controversy has revolved about the question as to whether active involvement is possible only during a period of detente or whether there is a particular need for it now, when superpower relations are in the midst of a freeze.

President and Prime Minister

In connection with his visit to England, the president stated that "there are no guarantees whatsoever that in the present world situation making conspicuous public appearances would be the best way to demonstrate active involvement."

On the other hand, 2 weeks ago in Japan Prime Minister Kalevi Sorsa announced that, as chairman of the Socialist International Disarmament Council, he plans to meet with U.S. President Ronald Reagan and Soviet leader Konstantin Chernenko to pressure them into entering into nuclear arms reduction talks.

Koivisto has presented a very gloomy picture of the international situation in an interview with THE GUARDIAN and on other occasions.

However, on the SDP [Social Democratic Party] Council Sorsa sees glimpses of light breaking through in superpower relations.

We Are Being Observed

Our neighbors too are observing Finnish statements on foreign policy and its active involvement.

In a new book Lev Voronkov, a scholar at a Soviet Academy of Science institute, notes that the passive observation of world events without active participation in attempts to arrive at solutions is not the way of behaving that stems from the logic of the Friendship, Cooperation and Mutual Assistance Pact.

The Swedish press, however, has raised a fuss over President Koivisto's appraisal of Swedish-Soviet relations: Finland was felt to be too eager to offer advice as to how [Sweden] ought to behave with the Soviet Union. Swedish Foreign Minister Lennart Bodstrom was left with the chore of explaining that Sweden had not interpreted Koivisto's statement as a criticism.

How Shall We Behave Now?

In what follows Foreign Minister Raavo Vayrynen gives his appraisal of the distribution of power in terms of Finnish foreign policy, the problems incurred in an active foreign policy and inflamed Swedish-Soviet relations, among other things.

[Question] You have served as foreign minister in the Finland of Kekkonen and of Koivisto. Are there noticeable differences in your work?

[Answer] Urho Kekkonen and Mauno Koivisto are quite different persons in terms of their natures and their ways of behaving.

In practice this is evident in, among other things, the fact that the current president stresses the parliamentary side of our bipartite system of government. Koivisto has met with the parliamentary Foreign Affairs Committee more often than Kekkonen used to. Furthermore, he has created a new practice: The government's Foreign Affairs Committee holds meetings, which the president attends, several times a year. Thus the government and Parliament's role in the handling of foreign policy is emphasized.

No Differences with Kekkonen's Final Period

[Question] Has this in practice led to the prime minister's role being emphasized at the expense of the foreign minister?

[Answer] I have not felt that the prime minister's role has in any way conflicted with the foreign minister's position or that there have been any jurisdictional problems.

There have been no differences in relations between the foreign minister and the president in the current president's term as compared with the final years of Kekkonen's activities.

[question] What is your view of the fact that, as head of the Socialist International Disarmament Committee, Prime Minister Kalevi Sorsa intends to meet with Ronald Reagan and Konstantin Chernenko? Sorsa is after all also the prime minister of Finland.

[answer] That is a matter to be considered by the members of the Socialist International and Kalevi Sorsa. Any active involvement that may improve relations between the superpowers is appropriate.

Services, Not Mediation

[question] So there is no question of a conspicuous proneness on the part of President Koivisto to initiate criticism of the current world situation?

[answer] Finland as a nation, its government, has not recently had a realistic opportunity to more conspicuously take the initiative.

In relations between the two superpowers Finland cannot be any sort of mediator; that is not possible. But we can certainly offer useful services.

Nor do the superpowers need a mediator either, neither government nor party organizations.

We can, of course, try to persuade the superpowers to improve relations between themselves; this is positive, but our influence can in no way be decisive.

Prime Minister on Foreign Policy

[question] How do you regard the foreign policy status of the prime minister in Finland?

[answer] There are many countries in which the prime minister directs foreign policy. Therefore, the maintenance of contacts is pretty much at the level of the prime minister. This is chiefly due to the fact that the prime minister plays a role in the conduct of foreign policy even though our system of government does not require it of him.

We must, nevertheless, take care that our system remains clear on this: The president directs foreign policy and the foreign minister is responsible for it in the government.

[question] There have recently been conflicting views among the public as to whether Finnish foreign policy should be more active, more enterprising.

[answer] We have to plan our actions to fit the international circumstances. If we compare the situation of the past few years with that of the early 1970's,

the change has been particularly great. The CSCE was perhaps the most noteworthy international event; it heightened our position.

It is not possible to be as conspicuously enterprising now. We do, to be sure, assume the initiative at forums in which we ourselves are participants, in connection, for example, with the Stockholm disarmament conference and the Madrid followup conference.

Credibility, Not Bustling About

[Question] A readiness to assume the initiative is not considered to be worthwhile in itself, is it?

[Answer] No, in that event it could easily be the case that our activities would turn out to be needless bustling about.

Our chances of success must be weighed; that is important for the sake of our credibility. We will consume our capital quickly if we act recklessly.

[Question] During his visit to England President Koivisto stated that there will be occasion for activism when there is a breather in international politics. How do you interpret this?

[Answer] I don't know what the president meant with that expression. However, it seems that some signs of improvement are noticeable in relations between the superpowers. We should be prepared to engage in more enterprising activity — when there is occasion for it.

[Question] What is the importance of the Friendship, Cooperation and Mutual Assistance Pact and the Novosibirsk communique (in which Finland pledged to observe the situation in Northern Europe and, if need be, offer the Soviet Government its proposal to resolve the situation) to the active pursuit of our country's foreign policy?

[Answer] For the sake of its own interests, Finland in any event follows developments in its neighboring countries and tries to exert its influence to protect its national interests. This was stressed at the Novosibirsk conference, which was particularly necessary under the circumstances.

As a small country, Finland's fate depends on the evolution of international politics. This is why we do not just react to events, but strive to take the initiative ourselves, as we did in connection with the Nordic nuclear-free zone.

Neutrality in Quotation Marks

[Question] Why is Finland's neutrality repeatedly referred to in quotation marks in works that appear in the Soviet Union (the latest of these being Lev Voronkov's)? When it has been recognized since the 1950's in joint communiques on the occasion of visits.

[Answer] According to Soviet logic, on the basis of their own ideology they assess the world situation in such a way that the whole concept of neutrality is problematic. The situation is viewed in the light of a confrontation between the socialist and capitalist worlds. In such a situation neutrality is a problematic concept.

What is, however, essential to us is the fact that the Soviet Union has in joint communiquees recognized our neutrality policy and in practice there are no problems in connection with this.

Zone Talks Not in Sight

[Question] Not long ago President Kekkonen said that Finland will always and everywhere advocate a nuclear-free Nordic zone. Does that still hold?

[Answer] It is still an important initiative. Discussion alone strengthens the nuclear-free status of Northern Europe. In the long run such an agreement is a realistic affair.

[Question] According to Prime Minister Sorsa, talks on the zone could begin during this decade, isn't that so?

[Answer] In my opinion, there are no signs in sight that would give us reason to make such conjectures.

The Danish and Norwegian parliaments have indeed adopted a favorable attitude toward the zone in principle, but at the same time tie it into more extensive European connections. This tie-in is preventing negotiations and it does not appear that this obstacle will be removed in the near future.

Swedes Are at a Loss Too

[Question] With the straining of relations between Sweden and the Soviet Union as a result of the alleged territorial violations, what is Finland's position?

[Answer] There is no reason for any serious concern at the present time. It is always better for us to have good relations with our neighbors.

[Question] President Kovvisto recently said that he did not understand why there should be bad relations between Sweden and the Soviet Union. What does the foreign minister have to say?

[Answer] The information and statements of position that we get from the two governments -- which we are in the habit of trusting -- conflict with one another. Thus there are things associated with the matter that are hard to understand. The Swedes themselves are at a loss too.

[Question] Is the coolness between Sweden and the Soviet Union to be viewed as a reflection of disputes between the superpowers?

[Answer] Swedish-Soviet relations are a problem that exists between those two nations. They should not be associated with broader connections.

[Question] Didn't Soviet Gen N. Chervov most recently accuse the West with making attempts to disturb the stable situation in Northern Europe?

[Answer] The superpowers observe one another in Northern Europe too. Weapons technology has increased their interest in the area, but Finland relies on the fact that the countries involved will not rock the stable situation.

SKF Will Not Affect State Relations

[Question] In its fraternal letter to the new leaders of the SKP [Finnish Communist Party] the Communist Party of the Soviet Union warned them of the effects of an SKP split on relations between our two countries. How would you comment on this?

[Answer] Our relations with the Soviet Union are on such a firm and broad foundation that developments within the SKP cannot shake these relations between the two nations.

On the other hand, it is true that every one of our parties' relations with and attitude toward the Soviet Union have their own significance.

[Question] What is your impression of the recent articles and books on the life's work of Urho Kekkonen? Is a laundering of the Kekkonen era in progress?

[Answer] What has been published makes for extremely disagreeable reading. This is a very sad business — Vayrynen said, alluding to Prof Osmo Apunen's new book, among others.

Noteworthy is the fact that, when someone writes a favorable book (Paavo Kahkola) about Kekkonen, the critics heap abuse on it and say that it is not objective information about Kekkonen.

On the other hand, they are often silent about shoddy compositions in which the life's work of Kekkonen is belittled and the author strives to paint a black picture of him.

Urho Kekkonen is the most important figure in our history — for our country's internal development as well as for our foreign policy. Now his work is taken for granted and people do not remember that Kekkonen led the country during a critical period when his policy line and strong leadership decisively influenced the evolution of our country.

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POLITICAL

FINLAND

GREENS' LONG EXPECTED ORGANIZATIONAL CHANGES UNDERWAY

Helsinki UUSI SUOMI in Finnish 1 Dec 84 p 9

[Article by Reijo Kemppinen]

[Text] The long awaited organizing of the Greens is underway. Since the October municipal elections, different forms of joint action, the purpose of which is to further the movement's internal flow of information and fund-raising, have been in preparation in different parts of the country.

Actually, the need for some degree of organization was perceived as early as just before the elections. At that time the Greens organized among themselves the first vote in the history of the movement, by means of which a Green representative for the big election debate on television was chosen.

A couple of weeks ago the Greens held a rather extensive 2-day meeting in Jamsa. No downright decisions were made during the meeting, but they did sketch some common guidelines for Green municipal politics.

At the meeting they confirmed the fact that there is a need for some sort of organization under the present circumstances and that they are generally capable of handling affairs.

In practice this means the creation of a loose, so-called "contact network" organization. Green groups operating in different districts will choose from among themselves contact individuals whose names will then be assembled. In some contexts the possibility has also been raised of establishing a Green headquarters. Such a headquarters' foremost task would be to maintain contact among the groups belonging to the movement.

Party Tax in the Offing

The Greens have discovered that their biggest practical problem is the funding of activities. The Jamsa meeting ended in a unanimous recommendation that Green municipal and town councillors turn from 2 to 5 percent of the salaries they receive for attending meetings over for the use of the Green parliamentary delegation.

as is now the case, elected by a majority of votes, they would be elected proportionally from now on. The left's objective would be to keep the chairmanships of the regional councils, and even to win new ones.

He also mentioned, among the reasons that might prevent the opposition from winning a victory as large as it could be, the "marginal candidacies likely to cause a regrettable dispersion" of the votes. Although "general primaries would have allowed the RPR to win more seats", Jacques Chirac wanted "close union" with the UDF and the CNI [National Center of Independents], it being understood that his party should "set the example and demonstrate its capacity to agree to sacrifices when the priority objective is the country's recovery."

And in order to better prove the reality of his innate unitary drives, Jacques Chirac, reading his speech, added the name of Valery Giscard d'Estaing, which he had omitted from the written version of his text and had not mentioned beside the names of Gen de Gaulle and Georges Pompidou, whose decentralizing virtues he praised.

8946

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POLITICAL

FRANCE

REOPENING OF NEW CALEDONIAN NICKEL MINES SEEN NECESSITY, RISK

Paris LIBERATION in French 22 Jan 85 p 7

[Article by special correspondent: "Thio: The Way out of the Tunnel is Through the Entrance to the Mine"]

[Text] The political and economic stakes represented by the Thio nickel mines are so great that resuming their activities would probably augur a favorable outcome for the Caledonian crisis as a whole.

Noumea--By announcing on Sunday evening that "the Thio mine will be reopened very soon", Francois Mitterrand both made a choice and ran a risk. The option was, along the lines indicated by Edgard Pisani for several weeks, to bet on an economic revival in New Caledonia "and therefore, first of all, on the resumption of mining exploitation and nickel production". to change the very conditions of any political solution. The risk was, if that attempt should fail, that an even more serious failure would be faced on the political level.

The Thio mines have been out of operation since last 20 November. Since then, 240 employees of the Societe le Nickel (SLN) have been out of work, in addition to the dockers and the contractors who transport the ore to the ore tanker. Eighty-three families are living as refugees in Noumea under conditions that are sometimes difficult. Many of them will probably hesitate for a long time before they return to Thio. For them to agree, it will be necessary, not only for good security conditions to be provided but also for normal life to be resumed, for business to function as before, for schools to open in time for the new term beginning next 4 March and for public services to be in full operation.

The mine is much more than just a mine and Thio has become, since the 18 November boycott of the territorial elections and the spectacular activities led by Eloi Machoro in connection with it, such a stake--both strategic and symbolic--that a satisfactory solution in this case could well be the equivalent of an announcement of a favorable outcome to the whole Caledonian crisis.

The economic stake is not a minor one. Thio's mining production, with 960,000 tons, accounts for a little less than half of the nickel ore extracted in the territory. Since 20 November, the SLN plant in Doniambo, near the port of Noumea, has been stocked, thanks to the Kouaoua mine, with purchases for the "little miners"--who are in reality comfortable private concessionaires--and

with overstocks. But that situation can hardly last and prolonging it would have grave consequences for the SLN, its 2,337 employees and, beyond that, for the entire Caledonian economy, since nickel accounts for 99 percent of its exports.

According to the SLN's director, Jacques Barisain, who held a press conference on Monday, starting the Thio up again could be done in two phases, the first, before the actual resumption of exploitation, is taking place over 3 to 4 weeks with the hiring of 12 to 20 people. Nevertheless, it is rendered especially difficult by the consequences of the events that have agitated the region in the last 2 months. To the 25 vehicles and 3 bulldozers stolen at the company after 20 November is added the destruction, during the night of 20 and 21 January, of 7 ore-hauling trucks, which, according to news released by the High Commissionership, were set afire by persons unknown.

That sabotage operation took place in the "fir-tree camp", one of the Thio mines, located 40 km from the village, which furnishes 320,000 tons of ore, a third of Thio's production. The seacoast mine, which is called the "plateau mine", furnishes the remaining 640,000 tons.

To plan for resumption at the "fir-tree camp", it will therefore be necessary first of all to replace the trucks (each one costs 2.7 million francs). It will be even more difficult to restore the ore-processing center, which was entirely devastated by the group that burned the trucks. But these technical preliminaries are not the only ones.

Although the attack on the "fir-tree camp", according to the SLN, is delaying the resumption of exploitation by almost 2 months, the actual reopening of the "plateau" mine requires a minimum of political solutions.

The FLNKS [Kanak Socialist National Liberation Front], through its spokesman, Yeweine Yeweine, in fact let it be known on Monday that any resumption of activity at Thio would come about by taking into account the demands of the local separatist committee. Those demands include various clauses, among which are the training of Melanesian personnel for the mine and defining mining policy with the Kanak community.

The FLNKS is also demanding that one third of the salaried workers at all levels of the hierarchy be Kanaks. According to the figures furnished by Jacques Barisain, the SLN employs at Thio 36.5 percent Melanesians, 42.6 percent Europeans and 20.9 percent of the employees are from other countries, most of them Wallisians. The FLNKS wants to have a rule enforced that is known as the "three thirds" rule, for the three population categories, and it also wants most of the employees to be SLN Melanesian salaried workers.

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POLITICAL

GREECE

PASOK-ND RAPPROCHEMENT RULED OUT

Athens ELEVTHEROTYPIA in Greek 8 Jan 85 p 9

/Commentary by Vikotoras Netas/

/Excerpts/ From the very first days of the new year it appears that 1985 will be not only a year of reckoning but also of intense ferment and developments, especially with regard to the government opposition party where attempts are being made to create new schemes to make up for the deficiencies of the present ones.

Let us take matters in turn to see the picture today: Mr Mitsotakis remains leader "with time limits" and with conditions, with a clearly limited mandate by groups that tolerate him as well as the group that supports him in ND. It is becoming all the more apparent day by day that he is only a formal leader and not in essence a leader of the entire party since he did not succeed in having a unified line on basic issues accepted.

The two former leaders remain in the party ready to once again claim the leadership and each of them follows a separate line with statements that the leader does not know --and, of course, he does not approve. Acting in the same vein are the heirs apparent K. Stefanopoulos and Giannis Boutos as well as other members of the leadership group.

All of this does not mean that intra-party pluralism has suddenly begun to bloom in ND, something that could be justified. And would be to God that we would at some time reach the point where a pluralism of positions and ideas would prevail in Greek political parties, something that would smash the monolithic status and that would confront the "infallability" of the leader with open dialogue and intra-party democratic proceedings. We would thus arrive at the point where we would have functioning parties of principles with direct repercussions on the functioning of the republic itself that becomes adulterated at some point. However, everything that is occurring within ND is nothing but manifestations by leaders of groups who mirror the agony of all who support them since they see the 1985 elections as being lost and they see the paradise of power becoming more and more distant.

All of the above are not due simply and only to the ambitions of former leaders, of heirs apparent and various groupings but to the overall assemblage of ND, an

assemblage not of a party but of an apparatus of interests being held together only by the substance of power and not a concrete ideology with a drawn up program.

Since there is no prospect for the Right's return to power, two movements have appeared in the past few days having as their goal participation in power.

- The first has as its protagonist Giannis Boutos, second parliamentary representative and first Euro-deputy of ND who had supported "consent procedures" between PASOK and ND on specific issues such as the electoral law, the election of a president, the economy, etc. This sudden opposition to the Mitsotakis line is being interpreted as the first step by the Boutos group toward an approach to PASOK with the goal being possible future cooperation if the latter party does not succeed in gaining an all-out parliamentary majority in the next elections.

But why should PASOK resort to cooperation with any rightist group when it has the facility to make a further opening toward the centrists and also toward the uncommitted leftists, in other words toward all related forces that have supported it up to now despite minor points of dissatisfaction?

This opening, with substantive moves, would have further strengthened the democratic movement and would have offered the opportunity to develop a mass of cadres who remain on the sidelines.

- The second movement, not at all unconnected with the first, has as its protagonist Georgios Rallis, former ND leader, reportedly head of a centrist group that will make a move to cover the ground between ND and PASOK. According to the scenario that was published in a rightist newspaper on Sunday, the initiative lies with former PASOK cadres and centrist elements. But what faithful centrist could be misled and attracted by a pseudo-centrist group, indeed, having as its head a former leader of the Right, whose democratic stand is not contested and yet a big distance separates him from traditional progressive centrist positions that are being expressed by PASOK at the present time. The overall scenario is naive and will not get anywhere.

Despite the denial by Mr Rallis and Mr Averof's statements with which he supports Mr Mitsotakis, it is evident that crisis within ND is a permanent matter. Simply put, because of the coming elections, there is no question of a party breakup -- that could occur after the elections-- or an upsetting of the leader whose real personality has been unmasked so quickly and who has shown that he cannot "attract," that he does not ensure the cohesiveness of the party and that he does not attract voters but to the contrary drives them away.

Nevertheless, there is no question that the Right intends to stop the game of "consent procedures" that aim at participation in power and an adulteration of pure democratic development. The rallying together of democratic progressive forces provides the answer to this game and to any endeavor to create pseudo-centrist groups. The initiative and responsibility for this must be in the hands of PASOK.

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POLITICAL

GREECE

PASOK-KKE CONTROVERSY WITHIN GSEE

Prospects Dim

Athens ELEVTHEROTYPIA in Greek 10 Jan 85 p 6

/Commentary by G.P. Massavetas/

/Excerpts/ What is happening at present in the GSEE /Greek General Confederation of Labor/ deserves special attention because not only are the events in themselves extremely interesting but also because they are occurring at the very moment when the famous electoral law issue is coming to an end.

Two trade union elements are cooperating in the administration of our supreme trade union organization. To call matters by their real name, we must say that two parties are cooperating, namely PASOK and the KKE. The following interesting picture appears in the first difficulty, specifically in the negotiating stage with the "class enemy": KKE trade union co-administrators are going out into the streets to criticize their partners in the GSEE administration for engaging in governmental trade unionism, for betraying the working class, etc.

Indeed, a worse service to the fight for the support of the simple proportional electoral system could not have been offered. The reasons for this is simple. With a pure proportional electoral system the formation of a self-perpetuating government can be achieved only through a miracle. In other words, if a party garners a percentage of votes over 50 percent.

Therefore, all those who are fighting for the simple proportional system fully know that they are fighting for the prospect of having governments of cooperation with two or more parties involved.

When, however, while working with specific goals and ideologies, they do not succeed in having cooperation "work out," and at the very first sign of any difficulty they begin to criticize the other side for being hucksters, how do all these things speak in favor of a prospect of having a government of cooperation with these same parties who "cooperate" in the GSEE in this same manner!

In other words, what would happen at the first sign of serious disagreement? Cooperation means mutuality, good will and not a balancing out of extortions. If they cannot succeed in one small restricted area, namely a call for better wages, how will they make out in a possible government of cooperation in all its ramifications--domestic, foreign and economic affairs, etc that a government must handle?

Relations Exacerbated

Athens MESIMVRINI in Greek 10 Jan 85 p 4

/Text/ Differences between PASOK and the KKE in the area of trade unionism has sharpened while the "moratorium" in the GSEE is in serious danger of being upset this time.

According to estimates by PASOK trade union circles, a reorganization of the GSEE administration is expected shortly through the "removal" of the ESAK-S /United Antidictatorial Labor Movement-Cooperating/ (KKE) members from the executive committee and the chairmanship.

PASOK trade union officials said that the breakup of cooperation by ESAK-S (KKE) and PASKE /Panhellenic Militant Workers Trade Union Movement/ (PASOK) elements in the GSEE became inevitable following the KKE trade unionists' statements made the day before yesterday in the GSEE offices. PASOK trade union circles emphasize that the position taken by D. Kostopoulos, GSEE secretary general, and by other members of the executive committee, who, outside the GSEE offices, criticized their colleagues, namely the PASOK trade unionists, for playing the game of employers by negotiating the National Collective Bargaining Agreement and by promoting only the ATA /Automatic Cost of Living Readjustment/ is considered a provocation that makes any further cooperation in the GSEE almost impossible.

PASOK trade unionists point out that through ESAK-S' statements and epithets against its PASOK colleagues, who being a majority carried out negotiations with employer organizations in accordance with a decision of the administration plenum, have struck a blow against not only trade unionists but also against the very institution of the GSEE. Besides, in essence the role and activity of the ESAK-S members in the GSEE has been manifested over the past 2-½ months only with one-sided partisan statements, a factor that does anything but promote the GSEE and unity of the trade union movement. Trade union cadres have pointed out that the anti-unity endeavors against the institution of the GSEE are relevant at this time. Such endeavors have been manifested and are continuing with the move by the Federation and Labor Centers, that are under the influence of the KKE, to proclaim a 24-hour panhellenic strike on 22 January for the National Collective Bargaining Agreement despite the decisions made by the GSEE administration.

According to trade unionists, the problem of cooperation in trade unions comes at a time when the relations between the two parties in the political arena are being exacerbated in view of the coming elections.

According to information, an attempt by the KKE for some "settlement of the trade union issue" through a discussion at a higher political level of both parties has been evaded by PASOK.

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POLITICAL

GREECE

PEOPLE'S ENLIGHTENMENT BALL IN ND COURT

Athens POLITIKA THEMATA in Greek 11-17 Jan 85 pp 29-30

/Article by Prof Dim. Kousoulas/

/Excerpts/ Peculiar things have recently been published in the international press. French President Mitterrand has replaced his super-socialist prime minister with a technocrat who is not distinguished for his religious devotion to socialist doctrine.

At the recent Socialist Party congress, Spanish Prime Minister Felipe Gonzalez made an about-face by calling on the congress participants to proclaim themselves in favor of Spain's remaining in NATO--thus abandoning his pre-election promise for a plebiscite-- and he convinced them to accept a more realistic economic policy that would be based on the strengthening of private initiative, on measures of economy and a real increase in national income.

Three months ago, the Chinese leadership boldly adopted measures that provide for the partial dismantling of the collective system of economic planning, the strengthening of the role of the market in the determination of prices and production generally-speaking, as well as the import of means of production for improving the productivity and output of the workers. At the same time, private initiative is being encouraged. Indeed, it had already begun on a smaller scale about 3 years ago.

These are not the only signs. In a theoretical and practical comparison of socialism with a free market economy, it seems that the latter is gaining ground.

High production permits countries with a free market economy to finance vast projects with genuine social benefits. In the United States, social programs absorb the astronomical sum of about 300 billion dollars every year. Socialism is not equivalent to social benefits. Socialism in all of its diverse forms is primarily based on state (collectivistic) ownership of the means of production with a corresponding element being the downgrading of the role of private initiative, of the production motives that financially reward gainful work, conscientiousness and lucrative activity.

A successful form of propaganda has succeeded in embellishing socialism to such an extent that many good-natured people have considered it as the miraculous economic system that would solve all their problems. Reality, however, has not corroborated expectations and visions.

Today, socialism (that in reality means control of the economy and production by a complex bureaucracy that is managed by the dominant party mechanism of those who are in power) is preserved in those countries where the police state, that is at the same time the "sole employer," does not leave much room for basic changes (the countries of real socialism) or in underdeveloped countries where it usually constitutes a rather bad imitation (countries where in order to develop and survive are supported by the economic assistance of developed countries with free economies).

One would have expected that these simple and obvious facts would have led to a change of Greek public opinion, indeed, now when it had the opportunity to savor --of course, to a very limited extent up to now-- the advantages of "socialist transformation." And yet there does not seem to have been any serious departure of voters from those parties that promised "socialist transformation." And if there were some justification in 1981, what excuse could be given for the perseverance of the voters to the acceptance of socialist proclamations?

If the estimate is correct that PASOK may perhaps win another 4-year term in the coming elections --at least as shown at this time by public opinion trends--then a large segment of the electorate continues to be misled by ignorance or misconception. Because how can one otherwise explain this intentional putting on of the socialist noose --indeed, at the very moment when other peoples who had experienced it are attempting to remove the noose from their necks?

It is natural that ignorance or the misleading of Greek public opinion is being cultivated and strengthened by ideological followers of socialist transformation. But a significant percentage of the responsibility for the failure to inform the people lies on the shoulders of ND and other traditional centrists. These democratic and liberal forces have not succeeded up to now in galvanizing the electorate, to explain to it the real essence of socialism, to stress the real and proven advantages of the free economy.

Specifically, ND must be convincing that it knows how and is ready to move forward toward a new start for shaping a genuinely advanced form of free economy, free from the weaknesses, faults, the confusion, if you will, of the past. ND must convince the Greek people that the choice is between a productive, just, free economy in the context of a genuinely democratic and well-governed state, or a socialist economy that would be guided by the party mechanism of those governing the country, that would render every worker subject to the party state and that would be based on bureaucratic, anti-productive and collective models --models that others have tried and are now abandoning.

In Greece, unfortunately, we have a backward imitation of models that are already outdated (even in our higher education the "democratization" of the framework law imitates models that were tried in the United States some 15 years ago but which have been shown to be destructive for the quality of education).

It is a shame that the plethora of genuine tools that with proper presentation could diminish the ignorance or lack of information of the electorate are not being used or developed. The ND leadership and all those who understand the problem must present simply, convincingly and without sophistry, pretty words or old-time party prescriptions, what the choice the voter is called on to make at the coming elections so that he can make such a choice in "full knowledge" without illusions.

POLITICAL

ICELAND

NEW SDP CHAIRMAN HITS PEOPLE'S ALLIANCE ON SECURITY POLICY

Reykjavik MORGUNBLADID in Icelandic 11 Dec 84 pp 72

/Text/ No one should be in doubt that Iceland is in danger militarily. It is thus necessary to carry out measures now, in time of peace, to ensure the security of the nation. This has been done through military cooperation with Western nations, said Jon Baldwin Hannibalsson, chairman of the Social Democratic Party /A/ in a speech on Saturday given before the Association for Western Cooperation and Vardberg.

Jon Baldwin Hannibalsson emphasized in this connection that people should have the courage to make a distinction between democracy on the one hand and dictatorship, to bring other countries under its control. A document has been issued in the Soviet Union, for example, apparently from the Ministry of Defense, wherein the view was expressed that Iceland is the weak link within NATO and that there should be emphasis on detaching Iceland from NATO. "That would be an enormous political success for the Soviet Union if it were successful in detaching Iceland from NATO," said Jon Baldwin Hannibalsson.

The Chairman of the Social Democratic Party said that according to the special plan that has been drawn up at the behest of the Soviets for "peace actions" in Western countries, Iceland should expect some kind of propaganda effort to detach Iceland from its NATO connections and present the image that Icelandic security is in fact threatened by the United States. There are signs that the campaign has already begun.

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POLITICAL

ICELAND

PAPER COMMENTS ON SDP CHIEF'S ATTACK ON PEOPLE'S ALLIANCE

Reykjavik MORGUNBLADID in Icelandic 12 Dec 84 p 24

/Editorial: "Let Us Defend Democracy Against Dictatorship"/

/Text/ "It is wrong to equate a democracy with a police state. Those who believe in national rights must fight for them and protect them. What is under discussion here is a major underpinning of the political struggle and thus foreign affairs are political affairs," said Jon Baldwin Hannibalsson, member of the Althing and newly-chosen chairman of the Social Democratic Party /A/ in the beginning of his speech to the SVS /Association for Western Cooperation and Vardberg/ on Saturday. Hannibalsson's speech to the meeting, which was well attended, was entitled "Foreign Affairs Are Also Political Affairs."

The speaker reported that up until the time that he was 17 he was a confirmed Marxist and Communist. Those of that persuasion think it a bad thing that Iceland cooperates with the democratic countries in defense and security matters. The Marxists think that the Western countries are nothing more than depraved and decadent consumer nations that Iceland has nothing in common with. They trust in the Soviet Union as the land of progress and believe that socialism will conquer the world under Soviet leadership and that all opposition to it is wrong. It was in logical connection with this political view that Hannibalsson was a member of the so-called Inviolable Nation Association (the forerunner of the Association of Military Base Opponents, ed.) and went all over Iceland with Jonas Arnason and Ragnar Arnalds to preach Iceland's withdrawal from NATO and removal of the Keflavik garrison.

Based on Aggression

Various things opened my eyes to the real nature of the Soviet Union, said Hannibalsson, and he mentioned, among other things, the Book "The New Class" by Milovan Djilas, translated by Magnus Thordarsson and Sigurdur Lindals and published in 1958 by the Almenna Publishing Company.

In the Soviet Union there is no dictatorship of the proletariat. The Soviet Union is rather a dictatorship based on aggression, in fact an international

jail for workers. The policy of the Soviet Government with regard to other countries shows that the Soviet Union is an aggressive colonialist power that follows a dangerous expansionist policy.

We must protect ourselves against this policy. Democratically minded social democrats have a policy that is based upon defense against dictatorship, a standing defense of national rights, the freedom of individuals and human rights. These are the most powerful peace movements.

Threat to Security

The security of Iceland, like that of other democratic countries, is threatened by the expansionist influences and military power of a power-hungry dictatorship that wants to do away with the democracies. We must take heed of those that would look upon the Soviet Union as upon any other country that we have reason to deal with in the customary ways of intercourse between nations. There are not sufficient reservations in their position, they will not make enough effort to defend those rights that distinguish a democracy from a dictatorship. Jon Baldvin Hannibalsson reported that he had translated Vladimir Bukovsky's pamphlet (Bukovsky spoke before the Association for Western Cooperation and Vardberg in the autumn of 1979, ed.) on the dangers of the peace movement. He read a chapter of his translation where in the author describes the government of oppression in the Soviet Union and says that the conceptions behind this method of government should be reason for people to understand the danger presented by the Soviet Union in the correct manner.

Military Cooperation Necessary

Nations ensure their security in various ways. Two kinds of neutrality may be mentioned as an example. Sweden has chosen, for instance, to remain outside military alliances but to have powerful military forces. Other countries choose to declare their neutrality but enjoy assurances from the great powers. In Iceland, opponents of the policy that Iceland has followed in security matters have never provided any meaningful explanation as to how Iceland should achieve the neutrality that they suggest. Their only contribution to the discussion has been to deny that the nation or the people are in any danger. That is a risky proposition.

No one should be in doubt that Iceland is in danger. It is thus necessary to carry out measures now, in time of peace, to ensure the security of the nation. This has been done through military cooperation with Western nations.

A document has been issued in the Soviet Union where the goals of the Soviet Government in military terms are expressed with respect to Iceland. It was bewailed in the document what a failure the Soviet struggle to prevent the establishment of United States nuclear missiles in Europe has been, although this should not create hesitation in efforts to drive a wedge between Europe and the United States.

Iceland the Weak Link

Jon Baldwin Hannibalsson said that in this document, apparently compiled at the orders of the Soviet Ministry of Defense, the view is expressed that Iceland is the weak link within NATO. It is extremely important for the Soviets to get a good hold over Iceland in order to weaken public support for Western military cooperation. Iceland is in fact the symbol of cooperation between Europe and the United States in security matters and in addition a weapon in had hands of whoever would threaten this cooperation, as Lenin worded it. It would be an enormous political success for the Soviet Union if it were successful in detaching Iceland from NATO.

The speaker reported on the contents of a Soviet book ("Iceland: A Foreign Policy Problem," Moscow, 1983). Many Icelandic sources were cited in the book and an evaluation was made of political developments in Iceland with respect to Soviet superpower interests. The book rejoiced in particular, for example, over the fact that the Progressive Party had come to power in 1979, considered good news for Moscow. However, one Icelandic individual enjoyed the greatest esteem in the Soviet document. He was always called O. R. Grimsson in it.

Hannibalsson recalled that the Soviets organized a large meeting in 1981 in Sofia, the capital of Bulgaria. At the meeting there was a call for an assault on the defenses of the democracies and a "major plan of action" was drawn up concerning "peace campaigns" in Western countries. This plan has not brought the expected success but Iceland is next on the agenda.

According to the plan, Iceland can now expect that there will be some kind of propaganda effort to detach Iceland from its NATO connections and present the image that Icelandic security is in fact threatened by the United States. There are signs that the campaign has already begun.

Nuclear-free Zone

The speaker gave his views on proposals for a Nordic nuclear-free zone. He noted that the notion enjoys particular popularity in the Kremlin. Those in the Kremlin think that if the matter is pursued properly effort could be made through the proposal to arrive at a so-called "cooperative" security in the Nordic countries. To the Soviets, "cooperative" security means that they would have the right to interfere with the internal affairs of those countries participating in the security system.

If the Soviets are successful in getting the NATO countries of Iceland, Norway and Denmark to participate in a nuclear-free zone through unilateral statement and with a Soviet guarantee, this will imply the right of the Soviets to interfere in the internal affairs of these countries. This is the gist of the matter.

We must resist interference of this kind if we would protect our democratic forms of government. It is not to be assumed that we will be able to resist this aggression, and we will only be able to do so in cooperation with others. From the moment that we would detach ourselves from our NATO allies there would be a change in the Icelandic people and social policy.

This fact shows us that we can never treat the great powers as the same. For this very reason, foreign affairs are likewise political affairs that are concerned with the protection of freedom, liberty and democracy. This fundamental fact is all too seldom discussed. Attention is too often focused on technical things. The key to the issue, on the other hand, is expectations with respect to the difference between democracy and dictatorship.

A Great Number of Questions

At the conclusion of his talk, Jon Baldwin Hannibalsson answered a great many questions from those at the meeting.

The speaker considered it natural that there would be restrictions on the numbers and activities of Soviet diplomats in Iceland and that they are, to a large degree, agents of the Soviet security and spying organization, the KGB.

He remarked on the current proposals that all problems might be solved through negotiations with the Soviets on foreign and security affairs. That is a great deception. The Helsinki Accord agreed to by the Soviets, for example, has shown how absurd it is indeed to expect the Kremlin to recognize human rights within its boundaries. If they did that it would destroy their empire. We must talk with the Soviets from a position of strength but the major emphasis must be put on gaining the trust of governments in Western countries and of the public in security and defense matters and this must be achieved by other means than through considering talks with Russia as some kind of cureall.

When Hannibalsson answered the question as to whether or not he would struggle for the points of view that he had expressed in his speech among the group of fraternal social democratic parties in other countries as well he said that he would do so. He thought that he was in agreement with French social democrats under the leadership of Francois Mitterrand in foreign and security affairs. Among French social democrats there has been no failing of heart with respect to European missiles, for example. Hannibalsson recalled that social democrats spearheaded all those in Iceland who were in favor of the foundation of NATO.

He wants to increase the share of Iceland in the cooperation of NATO countries in military matters. Our participation in this cooperation should, to be sure, be determined by our security interests. Why, for example, is Iceland not a full participant in the NATO Military Affairs Committee? he asked. On the other hand, we should not hesitate to disagree with our allies if we see the need. Hannibalsson, for example, is much opposed to the policy of the United States in Central America. The interests of democratic countries are not maintained through supporting fascists and generals.

Concerning the arrival of William Arkin in Iceland last week and what he has to do about Icelandic security matters, Hannibalsson said that he was somewhat taken aback by the world war predictions of THJODVILJINN. What Arkin says need be taken with a word of caution, he seems to be given to idle talk. To be sure, the matter should be considered carefully. One thing that must be understood is that there are innumerable proposals about this or that in

ministries of defense, and if this were not so we would be in a bad way. But if the Americans have broken their agreement with Iceland in some way, there should be a protest and corrective measures.

In response to questions on the financial gain of Iceland from the presence of the garrison force, the so-called Aron's payment, Hannibalsson recalled the proposal that has been advanced of moving the military base eastward to Langanes and said that he was somewhat in favor, although the move would most likely take a long time, with all that it would involve, roads, a railway straight across Iceland and an airfield. However, in all seriousness, he wanted to emphasize that the situation with respect to organization and carrying out of defense matters in Iceland must always be in good accord with Icelandic resources and what Iceland feels its interests are in any given time. Iceland might, for example, itself take the initiative in the construction of radar bases or oil tanks if we think it necessary for our own security.

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POLITICAL

ICELAND

PAPER COMMENTS ON DEBATE OVER ARKIN STATEMENTS

Reykjavik MORGUNBLADID in Icelandic 12 Dec 84 p 24

/Editorial: "Decided Position"/

/Text/ For 35 years the agreement of the Social Democratic, Progressive and Independence Parties in security and defense matters has set its mark on Icelandic political life at the same time that it has ensured the nation security and protection. To be sure there have been differences during these years. For example, the Progressive and Social Democratic Parties agreed in the leftist government of 1956 with the People's Alliance that the garrison should be thrown out of Iceland. And in 1971 the Progressives joined with the People's Alliance and the Association of Liberals and Leftists, also in the government, to the same end. In neither case was the issue that Iceland should be defenseless, although that was the effect. Since 1974 there has been no disagreement in this area between the old democratic parties. In fact there has been no alteration of the major policy assumptions in Icelandic foreign affairs and security matters. Rather there has been dispute about things that fit easily within the policy or are part of its political execution.

Jon Baldwin Hannibalsson, newly-chosen chairman of the Social Democratic Party, gave a lecture last Saturday before the Association for Western Cooperation and Vardberg on foreign affairs. As can be seen from the report in today's MORGUNBLADID, the position of the new chairman is clear and decided. He desires Iceland to be an effective partner in Western cooperation and does not lag behind in the defense of the democratic form of government.

The chairman of the Social Democratic Party bases his position on the assumption that it is not possible to treat the democracies and the dictatorship of the communists the same. And he says openly that people must have the courage to choose between dictatorship and democracy when they take a position on foreign affairs. The policy of the Soviet Union shows that they are an aggressive colonialist power, one following a dangerous expansionist policy. The security of Iceland like that of other democratic countries is threatened by this policy and the military power that a power-hungry dictatorship has control of. Hannibalsson also noted that the Soviets are now very eager to loosen Iceland's connections with NATO. Hannibalsson referred in this connection to a document which he said had been written at the orders of the Soviet Ministry of Defense

and which he called a "major plan of action" involving the creation of a split between Europe and the United States in the name of peace. The chairman of the Social Democratic Party said that the Soviets had considerable hopes when the Progressive Party took power in 1971 but that activity now is concentrated most on those persons who are the most rowdy in NATO.

The Soviets have shown in years past that the end justifies the means. There is no argument that they want Iceland out of NATO. Jon Baldwin Hannibalsson speaks correctly when he says that it would be an enormous political success for the Soviet Union if it were successful in detaching Iceland from NATO. People must bear this in mind in the flood of negative news on the value of Western cooperation that is sustained by direct falsities or unsupported assumptions.

Not Worth Relating?

State media people have been extremely busy in recent weeks in having something to say about those who are negative in their positions on NATO and the membership of Iceland in it. They have in this connection made much, on the one hand, of a certain Malcolm Spaven, who spoke here with the sponsorship of the military base opponents and considers the surveillance of patrol ships in Icelandic territorial waters as an affront to the Soviets, and on the other of William Arkin, who says one thing today and another the next day on nuclear weapons and Iceland. The newsrooms of the state mass media find, however, it not worth relating when the newly-chosen chairman of an Icelandic political party gives a talk on foreign and security affairs and explains his position on major aspects of this very important category. That is worth very little to them.

This valuation of news should produce a reaction from the administration of Icelandic State Television. Listeners are defenseless in matters such as this as long as there is a state monopoly. Listeners should expect that the managers of state television will cause the newsrooms to work along more objective lines. In fact there have long been complaints about imbalances of this sort. The complaints, however, will be reiterated again on account of how glaring the imbalance is in this case. What is Hannibalsson against Spaven and Arkin?

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POLITICAL

ICELAND

PAPER COMMENTS ON SOVIET MISSILE INTRUSION INTO NORWAY

Reykjavik MORGUNBLADID in Icelandic 4 Jan 85 p 20

/Editorial: "Soviet Cruise Missile Over Norway"/

/Text/ A cruise missile is a winged missile--propelled by a rocket or jet engine--guided remotely or by an independent computer in the missile itself. These missiles are like unmanned fighter planes. Attention has focused on them in particular because of the fact that United States cruise missiles with nuclear warheads have been placed in England. There has been less concern, at least among those who would have a monopoly on "peace agitation," about Soviet cruise missiles. People would rather pretend that they do not exist.

There has now been an incident where a cruise missile has been launched from a Soviet submarine in the Barents Sea over Norwegian territory and into Finland. Missiles of this sort fly considerably faster than aircraft. Effort is made to have them fly as close to the ground as possible so that the radar of the defenders does not pick them up. In spite of that, there are now statements from both the Norwegian and Finnish governments that show that they have been following the flights of Soviet cruise missiles for a good week.

Thus it is a good thing that the Norwegian Government has decided to report on the incident under discussion here. There is no doubt that the Soviets will have to deceive about news of their own cruise missiles in the future if they wish to claim them as a threat. The mill wheel of the masters of lies and justification in the Kremlin will turn once again.

It is necessary for Iceland to follow this matter closely. The submarine that launched the missile over Norway came from a harbor in the Gulf of Kola. The greatest military fortress in the world is located there and from it issue both ships and aircraft towards Iceland and on south away from the land out into the Atlantic. If Soviet cruise missiles pass over Norway and into Finland this shows that there is good reason to strengthen radar in Nordic countries, among them Iceland.

Most likely we will never know whether the cruise missile was launched by accident or intentionally into the territories of Norway and Finland. Soviet provocations by sea and in the air against Sweden have never been explained clearly and plainly. But there has been no "accident." The attack of Soviet

fighters on a South Korean airliner on 1 September 1983 was certainly no "accident." It cannot be ruled out that by dispatching cruise missiles in this manner the Soviets are attempting to ascertain for themselves how far they can go in their career of military provocation with their Scandinavian neighbors.

The Icelandic Government should show its complete support for Norway and Finland in their protests over this exceptional incident, which will hopefully not reoccur. If this is, however, the beginning of a new campaign of military provocation by the Soviets against their neighbors then the incident is much more serious news than has long been heard in Nordic security matters and one that will have unforeseen consequences.

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POLITICAL

ICELAND

BRIEFS

NEW SOVIET AMBASSADOR KOSAREV PROFILED--The new Soviet Ambassador to Iceland, Evgeniy Aleksandrovich Kosarev, presented his credentials to the president of Iceland on 2 October. His wife is singer Valentina Kosareva. She has sung, among other places, in the Bolshoi Theater and came to Iceland during the 1970's and sang with the sponsorship of MIR. The previous ambassador, Streltsov, has returned to Moscow. He has probably not taken a post in the Scandinavian Division of the Soviet Ministry of Foreign Affairs, as did for example Farafonov, his predecessor, and when asked he would say little about what he will be doing, according to a statement of the Icelandic Ministry of Foreign Affairs. Evgeniy Aleksandrovich Kosarev was born in 1919. He graduated from the Moscow City Flight School and later the Diplomats' School of the Soviet Ministry of Foreign Affairs. He began his career in the Soviet Foreign Service in 1945. He was consul in Karl Marx Stadt in East Germany from 1957-1961. During the years 1965-1969 he was embassy counsellor in the Soviet Embassy in the FRG. He was Soviet ambassador to Luxembourg from 1969-1979 but then returned to Moscow and remained there until now with special duties in the Soviet Ministry of Foreign Affairs. /Text/ Reykjavik MORCUNBLADID in Icelandic 21 Dec 84 p 32/ 9857

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POLITICAL

NORWAY

SOCIALIST LEFT PARTY ORGAN ON SOVIET CRUISE MISSILE INCIDENT

Oslo NY TID in Norwegian 5 Jan 85 p 2

[Editorial by IHT: "Missile Over Norway"]

[Text] A Soviet cruise missile rushed over North Norwegian settlements in a minute or so and created fear in an already worried people. There is no doubt that this is a violation of Norwegian air space. There is also no doubt that the whole thing was an accident and that for this reason there is no basis for the incident's creating a big controversy between Norway and the Soviet Union.

When we become perturbed all the same, there are several reasons for this. The accident occurred during an exercise, and the missile was, judging by everything, not armed. In any case, not with nuclear material. But when such a thing can take place during an exercise, what can take place when it becomes serious, when an atmosphere of crisis strains the nerves of military personnel and those who take decisions? The incident is a serious warning of how easily not only a missile but a critical situation can get out of control.

At the same time the Pasvik missile has spotlighted a buildup which there unfortunately has been strikingly little interest in: a gigantic deployment and modernization of so-called cruise missiles. Various types of this high-technology advanced weapon are now being deployed on planes and boats on the American side. And all reports indicate that the Russians are close on their heels with a similar project.

There are very good reasons that Norwegian opinion should be occupied with this buildup. The northern regions will be one of the most important operation areas for these new weapons. If work on a nuclear-weapons-free Scandinavian zone is to be anything more than a dream, these weapons must be done away with, as the problem which they represent.

There should be no doubt that work on such a zone will require political dogfighting with both the Soviet Union and USA.

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POLITICAL

SPAIN

BACKGROUND, IMPRESSIONS OF 'LENDAKARI' CANDIDATE ARDANZA

San Sebastian EGIN in Spanish 22 Dec 84 pp 6-7

[Text] Jose Antonio Ardanza Garro, aged 43, born in the Vizcayan locality of Elorrio, and the only candidate for lendakari that the top-ranking Nationalist executive organ introduced last night at the National Assembly, is currently general deputy for Gipuzkoa.

Born on 10 June 1941, Ardanza studied law at the University of Deusto, and later joined the Arrasate cooperative movement.

During that period, he worked in the legal adviser's office of the Popular Labor Fund, and was distinguished for his effectiveness as a director of task forces and as a businessman.

In 1961, he joined the Basque Nationalist Party [PNV] and later became a member of the board of EGI [Basque Youth Force], the PNV youth organization.

Jose Antonio Ardanza, who is married and has two children, has also been prominent for his cooperation in the creation and promotion of the ikastolas [Basque schools].

In 1979, he was elected mayor of Arrasate, a position that he held until 1983, when he was named general deputy for Gipuzkoa.

During the last autonomous elections, in February 1984, Jose Antonio Ardanza ranked number 18 on the list of candidates for the Basque Parliament representing the PNV of Gipuzkoa.

On that occasion, PNV gained 11 members of parliament in that herrialde [Basque region].

Ardanza's name has been mentioned as an alternative to that of Carlos Garaikoetxea, since the latter's refusal to accept the candidacy for the presidency of the government in December of last year. At the time, Garaikoetxea's reconsideration of his position left the matter in the air.

This point was recalled the day before yesterday by Ardanza, who also claimed: "Agreeing to be lendakari means a very important post and enormous responsibility."

The general deputy for Gipuzkoa seemed to have no "personal, emotional" inclination for being lendakari.

At the present time, the different views concerning the Law on Historical Territories (which prompted Garaikoetxea's resignation) have also caused Ardanza to be brought up as one of those most discussed by the Nationalist rank and file of Gipuzkoa.

His explicit backing for the position of the deputies in this dispute have prompted certain municipal boards of the Gipuzkoa PNV to disavow him.

In the communique, approved by a sizable number of municipal boards, "confidence is detracted from him for not having upheld, in his relations with the Basque Government and with the other general deputies, the views approved on this matter by the Gipuzkoa regional assembly."

The personality of Jose Antonio Ardanza, designated a candidate for lendakari, has been depicted by various PNV members and sympathizers, based on a survey sent by that party's press office.

Juan Maria Ollora, general deputy for Alava:

"He is a good person, a kind and likable man, a hard worker, with a sense of reality and deeply nationalistic. I wish him the best success in the difficult job that he must perform."

Jesus Maria de Leizaola, former lendakari :

"I have an excellent impression of Jose Antonio Ardanza personally; a careful, capable man, with an open nature."

Felix Ormazabal, agricultural adviser of the Autonomous Government:

"Ardanza is a serious, highly responsible and very nationalistic person, excellently prepared. He has done very positive work in the Mondragon town hall and in the Gipuzkoa deputy's office. And he is a very conciliatory man. I have a fine impression of him."

Joseba Leizaola, member of the Basque Parliament, from PNV:

"Ardanza is a tremendously simple, direct person, easy and pleasant to deal with. He has the charm of those who can be approached without difficulty. A long-standing member of his party, honored and persevering, he has not shirked any of the major responsibilities that he has had to bear."

"His practical manner has caused him to avoid grandiose rhetoric and meaningless pompous speech. A tolerant, sincere, humane, close, imaginative and generous man, with deep democratic convictions, even in his concept of the economic realm. I would call him a man anchored in the future."

Julio Caro Baroja, anthropologist and author-essayist:

"The first thing that I must say about Ardanza is that we are looking at a person who is very much embodied in his people. He has represented the interests of Gipuzkoa very well, and has defended them as no one else has. I would say that we would do well to trust in his administration."

"Furthermore, he has more human qualities than one normally finds in politicians. He is quite the opposite of dryness and abstract thinkers; a simple man who has a very human view of the political reality."

Jose Maria Setien, bishop of San Sebastian:

"Ardanza is a serious person, capable of dealing with problems and devoting all his attention and effort toward solving them. A man who knows how to listen, enlightened and clear-thinking, who understands the problems and takes a clear, intelligent position toward them. I have a frankly positive impression of him."

Jose Ignacio Hormaetxea, director of the Popular Labor Fund:

"He is an exacting and very honest man, with a great Euskaldun tradition. He has a great leadership capacity, as he has proven in all the positions that he has held. An important person in the political area, which he would also have been in the economic one, if he had continued along that route."

"Politics has led him to put himself in the people's service, as it is gradually leading the major political figures. I would underscore his integrity and humanity."

Felipe Lizaso, president of the PNV National Court:

"He is a capable man from the world of cooperative business. I am sure that he will have the backing of the entire party."

Roman Sudupe, head of PNV's EBB:

"Ardanza is an effective manager, with great gifts for forming teams and working with them; a moderate man, very receptive to dialogue; forever a committed Nationalist."

"This is proven by the very fact that he has accepted a position with so much responsibility. A man enormously loyal to the party. In short: a technocrat committed to his people."

Jesus Insausti, chairman of Bizkai Buri Batzar [Vizcaya Executive Committee]:

"Apart from his great abilities, one of the traits in Jose Antonio Ardanza that touch me most is his enormous simplicity. In my view, he is one of those men from our country filled with humanism and faith in the future of this people heading toward goals of liberation."

Jose Maria Makua, general deputy for Vizcaya:

"To talk about Jose Antonio Ardanza, I only need to reflect. From within me there emerges his profile, particularly because of the features of his personality that my relations with him have accentuated in recent times.

"A simple, open man, inspiring friendship from the first contact; and yet this important quality is combined in him with the firmness of a man used to managing.

"It should not be forgotten that he has been shaped by tasks as difficult as the mayor's position in Mondragon and, recently, the presidency of the Gipuzkoa deputyship.

"In the sessions that we shared during the negotiations in joint commissions and in the Basque Finance Council, I observed in Ardanza a skillful negotiator who knows how to take a stand in the difficult balance between tenacity and flexibility.

"Furthermore, his capacity for work and his great sense of duty and dedication are well known

"I have left until the end what to me is the most praiseworthy quality, now and always: he is forever a Nationalist.

"Some of us Bilbaoans and Vizcayans have considerable knowledge of his activities and risks during the time of the dictatorship. An upright Nationalist, toughened in the EGI's youth struggle under the gaze and direction of Ajuria-guerra, with a worthy, well tested executive performance, he has remained faithful to the party's directives under adverse circumstances."

Carmelo Renobales, spokesman for the Basque parliamentary group in the Senate:

"Jose Antonio Ardanza is a person of great humanity, well prepared technically, circumspect in all his activities. He has a clear view of the issues. His leading qualities are: knowing how to listen and knowing how to form a team."

Andoni Monforte, PNV deputy in the Congress:

"He is a man who, while serving as mayor of Mondragon, in a difficult situation, made his knowledge of how to engage in politics quite clear, and was capable of successfully surmounting the problems that were posed for him.

"His great quality is knowing how to work as a team; a born and untiring worker.

"In this entire troubled process, he has maintained a position of silence and great example."

Aitor Esteban, member of the EGI National Council:

"Jose Antonio Ardanza's great virtue is that he will create a team and, far removed from personalism, will become involved in a task marked by joint efforts for this country. It is what Euskadi needs and it is offered by Jose Antonio Ardanza."

Rosa Miren Pagola, member of the PNV Negotiating Group in Navarra:

"I consider him to be very knowledgeable on the country's problems, with ideas regarding the concept thereof.

"A man of obvious humanity who, during his political career, has given evidence of obvious soundness and capacity for dedication. In a word, I would say that he is a humane, politically solvent 'Euskaldun' person."

Xabier Arzallus, member of the Consultative Council:

"I met Ardanza during the 1960's or thereabouts, when he took the fourth year law examinations at the University of Deusto.

"I had to do so clandestinely, because at that time he was an EGI militant and was being harassed for that.

"I believe that he is a serene, orderly, hard-working man, capable of governing. No one would deny his constant capacity for forming and directing a team, and he knows how to manage well.



2909

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POLITICAL

SPAIN

'COOPERATION' KEYNOTE OF ARDANZA-GONZALEZ MEETING

Legislative Pact

Madrid DIARIO 16 in Spanish 27 Dec 84 p 8

[Text] Yesterday, the candidate for lendakari, Jose Antonio Ardanza, held a meeting with the president of the government, Felipe Gonzalez, at which the legislative pact between Socialists and Nationalists was made, as well as the symbolic gestures, such as having the Basque and Spanish flags flown in Ajuria Enea. They also held dialogue on the development of the Statute of Guernica and the transfer process.

Madrid--Yesterday, the candidate for lendakari, Jose Antonio Ardanza, came to make a pact with the president of the government, Felipe Gonzalez, on symbolic gestures such as flying the Spanish and Basque flags together at Ajuria Enea, and the unblocking of the process of transfers and development of the Statute of Guernica.

Also included among Ardanza's requests to the president yesterday at Moncloa was one for having the Basque Country considered with respect to industrial reconversion, as an isolated, special case, and the materialization of the legislative pact that is being negotiated between the Nationalists and Socialists.

Also attending the long meeting was the minister of territorial administration, Tomas de la Quadra; as well as the chairman of Euskadi Buru Batzar EBB [Vizcaya Executive Committee], Roman Sudupe, and other members of the PNV [Basque Nationalist Party] executive body.

Euskadi Buru Batzar, the top-ranking executive agency of PNV, was of the opinion that the purpose of the meeting was to let the candidate for lendakari have a first direct contact with the president of the Spanish Government.

Despite the fact that there was no prefixed agenda, at the meeting a discussion was held on relations between the government of the State and the Basque Government, the current political situation in Euskadi and, in general, all the issues pending between the two administrations.

Ardanza added: "The problems of the Basque Country are problems which affect the governability of the entire State."

The PNV-PSOE legislative pact was one of the subjects discussed in the interview, after which Ardanza believed that "it has been more clearly shown that we shall attempt to make it with the Socialist Party."

The future "lendakari" added that, moreover, the pact will have to be made "as soon as possible, because Euskadi needs to start off, in this new phase that my mandate represents, with confidence and hope. We cannot thwart the expectations that have been created."

Ardanza claimed that, although the talks between PNV and PSOE for the legislative pact were already well under way during Garaicoechea's term, he has attempted "to intensify it and materialize it, making it solid and not caught up in fine points."

With regard to the communications between the central government and the autonomous one, Ardanza announced that, starting now, he and Gonzalez would see each other more assiduously and that, in addition, they would remain in constant contact.

"We want to be in touch, not only through official meetings, with the news media waiting at the door, but also in an informal manner, often by telephone, so that the contact will be faster, more spontaneous and more natural."

Gonzalez and Ardanza also discussed the violence in the Basque Country, although they did not embark upon the possibility of negotiations with ETA [Basque Fatherland and Liberty Group], "but rather on the philosophy of the phenomenon of violence, and the fact that the Basque terrorism is not a conventional terrorism, like that in other countries, but rather one of greater complexity."

Ardanza reiterated that there is no problem as to when or how much the Spanish flag is going to be flown in Ajuria Enea. "I don't know whether the flag will be flown every day, or on one day and not another. I start with a 'test' of consistency: The Basque Government has its origin in the Statute of Guernica, approved by the Basque people, who in turn start with the Constitution."

Ardanza said that he had learned about the pardon of five ETA members decided on by the Council of Ministers, "upon arriving here. And I am happy, because it is possibly more than a gesture, that progress is being made along that positive route."

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CSO: 3548/69

Also a topic for dialogue was the possibility of arriving at a legislative pact in the Basque Country between PSOE [Spanish Socialist Workers Party] and PNV, which would enable the Nationalists to unblock the parliamentary stalemate involving 32 seats that prevails in the Basque Chamber.

Ardanza declared that he had traveled to Madrid "with a disposition open to dialogue, desiring to pose problems from my own standpoint and to listen to the proposals of Felipe Gonzalez, with a wish for frank cooperation."

During the past few days, the candidate for "lendakari" continued his contacts with the political forces of the autonomous community begun immediately after his nomination to replace Carlos Garaicoechea last Friday.

On Sunday, he met with the secretary general of PSE [Basque Socialist Party]-PSOE, Jose Maria Benegas; and on Monday he did so with the spokesman for the Popular Coalition in the Basque Parliament, Jaime Mayor Oreja, and with the secretary general of Euskadiko Ezkerra [Baque Left], Mario Onaindia.

Ardanza described those meetings as "frankly pleasant and advantageous." He said: "They have helped me to learn exactly what analysis they are making of the political situation in this country. What has been made clear is that we must open a mutual line of communication and, of course, I have pledged that, insofar as I am concerned, that endeavor will not ever fail."

Jose Antonio Ardanza expressed his desire to complete his talks with the political parties, and he noted that "Herri Batasuna [Popular Unity] is still missing," a coalition with which a meeting as not yet been arranged.

'New Era'

Madrid DIARIO 16 in Spanish 27 Dec 84 p 8

[Text] Yesterday, the candidate for "lendakari," Jose Antonio Ardanza, announced that the communication between the central government and the Basque autonomous government would improve after the meeting that he held with Felipe Gonzalez at Moncloa.

Ardanza, who confined himself to commenting on the general topics that he had discussed with Gonzalez, without going into specific content, strove to convey, during the entire press conference following the meeting, his belief that "a new era" has begun wherein the relations between Madrid and Vitoria will be better and the communication more fluent.

According to Ardanza, his talk with Felipe Gonzalez was marked by the mutual desire that "we might be able to start a phase of cordial relations, and an attempt to do away with a certain amount of traditional mistrust," so that, together, they might proceed to solve "the serious problems that we have."

POLITICAL

SWEDEN

STUDY OF 1982 ELECTION EXAMINES REASONS FOR SDP VICTORY

Sick Leave Issue Cost Nonsocialists

Stockholm DAGENS NYHETER in Swedish 17 Jan 85 p 8

[Article by Sven Svensson: "Noncharged Sick Leave Days Caused Fall of Non-Socialists"]

[Text] The nonsocialist block lost the 1982 election on a savings proposal for 3 noncharged sick leave days in health insurance. Election investigator Soren Holmberg came to that conclusion in a report on the election which was presented on Wednesday.

The Social Democrats won 1.6 percent of the voters on the proposal for non-charged sick leave days.

The proposal for 3 noncharged sick leave days in health insurance was placed before the Riksdag by the Falldin-Ullsten government. The Conservatives had, however, been the drivers of it as long as they were in the government.

Investigation shows that it was the Liberal and Center Parties which lost on the noncharged sick leave days. Twenty-three percent of Liberal Party [FP] voters and 20 percent of Center Party [C] voters went over to the Social Democratic Party [SDP].

The 3-year tax agreement between the middle government and the Social Democrats, which caused the Conservative Party [M] to leave the government in anger, did not cause corresponding party changes across block lines. The effects of the tax conflict and the villa owners' right to deductions remained entirely within the nonsocialist block. The middle lost to the Conservatives.

The Main Question

The wage earner funds were another of the main questions of the election. The funds did not bring any large net gains of votes for the nonsocialist block. Only 0.4 percent of Social Democrats changed to a nonsocialist party.

Soren Holmberg considers the results remarkable. One-third of the Social Democrats were doubtful toward the funds, but only one out of 10 changed parties.

Fidelity to the party was great.

The tendency to change parties because of the funds was greater on the non-socialist side. Although there were considerably fewer nonsocialist voters who were positive to the funds than Social Democrats who were opposed, the two groups of voters almost cancelled each other out.

SDP election gains were made mainly during the period between elections. During the campaign the SDP lost sympathizers, especially to VPK [Left-Party Communists]. That was due to tactical voting. Many Social Democrats wanted to guarantee that VPK reached four percent.

Party Changers

M took its election gains from the middle parties and some party changers from SDP, but mainly during the election period. C lost its voters during the election period, and the FP during the campaign itself.

Soren Holmberg confirms that the SDP election victory was won despite a certain counter current. The main explanation for the victory was that the campaign was lost to the old positive questions of employment and social security.

The investigation was based on 3,000 interviews and an important conclusion for the future is that women tend to have a more positive attitude toward the public sector than men.

There is no direct connection with the fact that more women are employed in the public sector.

Until the beginning of the 1970's SDP had stronger support among men than among women, but in the 1982 election the situation was reversed.

Men Dominate

The Conservatives went the other way. The previous dominance of women changed to dominance of men in the 1979 and 1982 elections.

The Swedish electorate is the most stable in the world. Five percent change parties across block lines. That is a reduction since 1976 when the figure was 7 percent.

Mobility in the electorate has still grown. That is due to party changes between the nonsocialist parties. In 1960 party changers in the nonsocialist parties were 4 percent, now they are 8 percent. Changes also are increasing between SDP and VPK. Total mobility between parties has grown from 7 percent in 1960 to 20 percent.

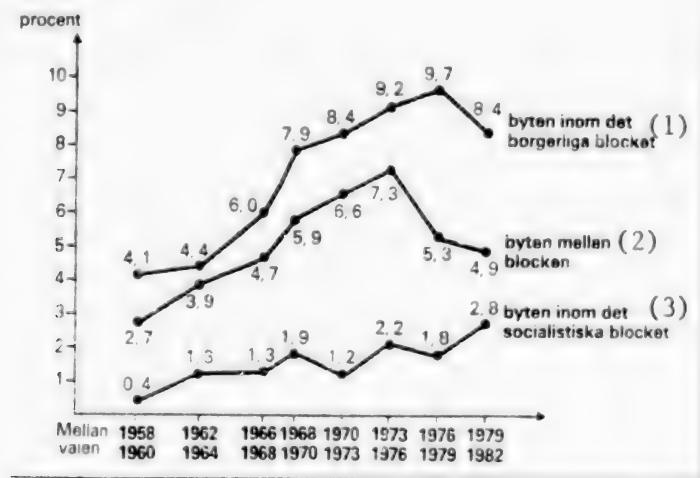
Another indication of increased mobility is that more voters make up their minds during the last week before the election. The figure has increased from 29 percent in 1979 to 33 percent in 1982.

Membership in professional groups largely decides the choice of parties in Sweden. Class voting is tending to decline, however, as fewer workers are voting SDP. At the same time SDP has its greatest loyalty among industrial workers.

Voting Support

Younger voters in general have voted more socialist than elder. Both VPK and SDP voting support among first-time voters tends to decline, M's to increase.

The curve for confidence in politicians can give some consolation to members of that group. For 10-15 years suspicion of politicians has grown, but in 1982 the curve turned down. The increased confidence is related to changes in government.



Caption: Party changes within and between the political blocks

The Swedish electorate is the most stable in the world, although the number of party changers has steadily increased since the 1950's. The number of party changers has increased the most within the nonsocialist block, but in 1982 it declined for the first time in the history of election analysis. The number of party changers between the political blocks increased until the election of 1976, and later declined. Changes within the socialist block have increased somewhat.

Key: (1) changes within the nonsocialist block
(2) changes between blocks
(3) changes within the socialist block

Increasing Voter Mobility Found

Stockholm SVENSKA DAGBLADET in Swedish 17 Jan 85 p 6

[Article by Claes-Goran Kjellander: "Investigation Shows More Voters Change Party, Fewer Cross Over Block Lines"]

[Text] The number of voters who change party continues to grow, but fewer cross over block lines. The difference between voting nonsocialist and voting socialist was greater in 1979 and 1982 than in 1976.

This came from the large investigation of the 1982 election which is now completed. It was carried out by the National Scientific Institute in Goteborg in cooperation with SCB [Swedish Central Bureau of Statistics], with Soren Holmberg as leader of the investigation.

In the three elections, more and more changed parties. More and more decided during the election campaigns. On the other hand the number of those who suspect politicians or who have difficulty identifying with their parties is no longer growing. After an unbroken increase in those who have "contempt for politicians" since measurements were begun in 1968, the number of contemptuous voters has declined somewhat.

"There appears to be a little light at the end of the tunnel for the politicians," said Soren Holmberg. He questions whether contempt for politicians in the 60's and 70's did not have something to do with the breakthrough of TV and the "cynicism shown by TV reporters" which may have infected the viewers.

Every Fifth Changed

What happened in the 1982 election? Every fifth voter changed party, which is the highest number ever. From 7 percent in the 50's the number has grown to 20 percent in 1982.

But it is most interesting that the number who changed party blocks reduced markedly, from a record high 7.3 percent in the nuclear power election of 1976 to 5.3 percent in 1979 and 4.9 percent in 1982. Since these changes decide the fight for government power they have special significance. Here they probably reflect the increased conflicts between the socialists and the nonsocialists over the question of the funds.

Tactical Voting

Since election analysis began in the 50's there has never been so much tactical voting as in 1982. The analysis showed that VPK would have fallen out of the Riksdag if people had voted their convictions. Almost two percent of voters, mainly SDP, voted for VPK, perhaps to make sure that the party reached over four percent, and perhaps to strengthen the leftwing of SDP.

Even without tactical voting SDP would have been able to form a government, and in an even stronger position than now, since the party did not need the support of the VPK seats.

Most of the SDP losses to the VPK occurred during the election campaign itself.

Sixty Percent Party Adherents

The number of voters who consider themselves party adherents can be used as a measurement of how large a group of voters who are safe. Sixty percent of voters belong to this group. Within SDP the number is 76 percent, which Soren Holmberg considers to be a "world record for parties." This figure has largely remained unchanged since 1968 for SDP, while it sharply increased for VPK.

The figure declined for the Center Party in the middle of the 70's when the party acquired many new voters. The curve for M was falling also, but turned up between 1979 and 1982. Fifty-seven percent of M voters are "safe" compared with 56 for C, 55 for VPK and 42 for FP.

Marks for Party Leaders

Evaluation of party leaders is also a part of election analysis. The approximately 3000 persons interviewed gave marks to the party leaders from -5 to +5. These were the results:

Party leader	Own	All
	Voters	Voters
Palme 1979	+3.5	+0.9
Palme 1982	+3.5	+1.2
Bohman 1979	+4.0	+0.5
Adelsohn 1982	+3.5	+0.6
Falldin 1979	+3.1	+0.1
Falldin 1982	+3.2	+0.3
Ullsten 1979	+3.1	+1.2
Ullsten 1982	+2.0	-0.1
Werner 1979	+3.2	±0.0
Werner 1982	+2.9	-0.1

More men than women vote for M and VPK, more women than men for FP and SDP, while sex distribution is even within C. The dominance of men in M is a new phenomenon, SDP and C have more voters in the oldest age groups than the others, while VPK and M are underrepresented among the elderly.

Class Voting

Class voting has not grown soft during recent decades. In 1982 about 80 percent of industrial workers and 66 percent of other workers voted for SDP or VPK. Among higher officials 46 percent voted for M and among farmers 70 per-

cent voted for C. Younger persons are less apt to vote by class than older.

In three large cities 33 percent voted for M compared with 43 percent for SDP.

Public employees voted to a larger extent than private employees for SDP or VPK.

Welfare Issues Important

Stockholm SVENSKA DAGBLADET in Swedish 17 Jan 85 p 2

[Article by Claes-Goran Kjellander: "Welfare Questions Decided 1982"]

[Text] Unemployment and noncharged sick leave days decided the 1982 election in favor of SDP.

For 1.6 percent of the electorate welfare, with noncharged sick leave days as the symbolic question, was decisive for changing from a nonsocialist party to SDP.

This came from Soren Holmberg's election analysis.

According to the analysis SDP had no losses because of the wage earner funds. Certainly many in SDP were against the funds, but that did not cause them to change parties. Only every 10th opponent of funds within SDP became a party changer.

Adherents of the Funds to SDP

On the other hand every fourth fund supporter within the nonsocialist parties went over to SDP, which meant that both streams of changers were equally large.

SDP laid the foundation for its victory during the period between elections. During the campaign itself the party lost voters, mainly to VPK.

Stable Opinion

In measuring votes on a left-right scale it was confirmed that the 1982 electorate was significantly more right oriented than previously. After the victory by the Left at the end of the 60's opinion stabilized. Now sympathy for the market economy and economic growth is growing, at the same time as the voters are becoming more negative toward socialism, wage earner influence and wage earner funds.

Middle Parties Lost to Conservatives

Stockholm DAGENS NYHETER in Swedish 17 Jan 85 p 2

[Commentary by Johan Schnick: "'Comrade Four Percent' Saved VPK in the Riksdag"]

[Text] VPK would have fallen out of the Riksdag in the 1982 election if a sufficient number of Social Democrats had not decided during the campaign to vote tactically. Four of five new VPK voters sympathize primarily with SDP. That is one of the more surprising conclusions in the book "Valjare i forandring" [Changing Voters] published yesterday, by scientist and election analyst Soren Holmberg.

But it would have been a Social Democratic victory without tactical voting. The party's advantage was so great--since they had the support of a growing number of first-time voters and middle voters who left their parties during the period between elections--that it would have been sufficient to gain a majority in the Riksdag. It was primarily the economic crisis, questions of unemployment and the decision on noncharged sick leave days in health insurance which determined the outcome.

Holmberg's book gives a rather surprising explanation for the fact that the wage earner funds did not play a larger role in the election results: only a few of the large group of Social Democrats who opposed the funds were ready to change parties, while almost half of the few nonsocialist voters who sympathized with the funds or were indifferent to the issue went over to the Social Democrats. But the two rather moderate streams of voters balanced each other, and thereby the fund issue contributed more to raising the heat and increasing polarization than it did to influence relative strengths of the blocks.

The dilemma of the middle parties was that they lost voters to both the Right and the Left. Losses to the Conservatives were due to the ideological wind from the Right which had been blowing since the end of the 70's, but dissatisfaction with the middle parties found its most fertile ground in the tax agreement with the Social Democrats.

The Center Party succeeded during the campaign, however, in winning back a sufficient number of voters to prevent a large decline. But the party now depends primarily on its core groups. Now a division can be seen in which nonsocialist voters in the countryside and small towns stay with the Center Party, while corresponding groups in larger cities vote with the Conservatives.

On the other hand for the Liberal Party the collapse was complete. The party lost more than half of its voters from the election in 1979: the largest share went to the Conservatives, but various former sympathizers also went to the Social Democrats and to the Center Party. Explanations are found in Holmberg's tables, which show that the voters' confidence in the older, more

replaced by suspicion during the period between election,, and that the public was not able to distinguish any issue that was particular to the Liberal Party (with the possible exception of equality of the sexes). The Liberal Party's losses were greatest among the younger voters, where fewer than every fourth supporter from 1979 remained faithful.

A number of election analyses from the mid-50's until our time show that class voting is declining and is being replaced by opinion voting. But still membership in a special class is the most important factor which explains voter behavior. That also now includes the importance of dwelling: regardless of profession, a large number of apartment dwellers vote Social Democratic, while owners of villas and small houses to a greater extent have nonsocialist sympathies.

The Social Democrats have historically had the class vote as the basis for their political dealings, and have seen it as fully legitimate to follow the interests of their own voters. A similar theory can be found on the non-socialist side, but they are considerably more concerned in general questions with what is positive for the entire society (except for the Center Party's strong ties to agriculture). An explanation of the Conservatives' success is believed to be that they consciously and consistently have aimed at the economic and social interests of the broad nonsocialist voting group. Against that the Liberal Party above all, with its combination of high-sounding idealism and shortsighted tactical thinking has a difficult time holding its own.

Soren Holmberg's analysis also showed that election campaigns have increased in importance, that more voters decide late how they will vote. Much can therefore happen before the fall election, and no conclusions should be drawn based on unanimity in consensus polls about a nonsocialist majority among the voters.

It is still interesting that since the 1976 election the Social Democrats have attained a worse result even in SCB's opinion poll just one year before; in November 1984 they had 41.7 percent. But perhaps that says more about the very special election campaign of 1976 and about the conditions in the opposition than an indication of what will happen in the fall.

In November 1972 the ruling Social Democrats received 40.6 percent in an SCB poll, and later 43.6 percent in the election which for 3 years gave the country a balanced Riksdag. The living will find out.

Nonsocialist Parties Becoming Younger

Stockholm SVENSKA DAGBLADET in Swedish 17 Jan 85 p 2

[Editorial: "Voters in Power"]

[Text] Swedish voters are loyal to their parties. They have great confidence in what their party leaders say, and change their opinions according to what

the parties believe. Voting is to a large extent controlled by professional affiliation.

This is about how the behavior of the electorate is described by Göteborg scientist Soren Holmberg's election analysis which was published on Wednesday. The study deals partly with what happened in the 1982 election, and partly with how voter behavior has changed since the middle of the 1950's.

Even though mobility of the electorate increased during the 1970's and class voting declined somewhat, stability is the outstanding conclusion of Holmberg's study. Most of the electorate is unwilling to change parties, and even more unwilling to change blocks. They are unwilling to break with old voting habits.

The result can be surprising, since Swedish domestic politics since the beginning of the 1970's has despite everything been full of variety. However the voters seem to be much more calm about changes in regime, government crises and economic crises than one would think from the often heated political debate.

Still perhaps the result is not so surprising. We willingly forget that the turbulence among the nonsocialists has no equivalent in the socialist parties. A Social Democrat Party which always stays between 41 and 46 percent of the voters and VPK which remains between 4.5 and 5.5 percent comprise a stable block in Swedish politics.

And that stability naturally influences the result when party changes are to be measured and explained for the electorate in its entirety.

Still there are long term displacements since the middle of the 50's which are of interest. And there are tendencies in the material from the latest elections which a change in the political map.

Previously the Social Democrats' electorate was dominated by men. In the other hand in the Conservatives' electorate the number of women was higher than the number of men: a successive change in both parties has, however, meant that women now dominate the Social Democratic Party and men dominate the Conservative Party.

Soren Holmberg points out that Tingleff's old theory that women prefer to vote nonsocialist more than men is no longer valid. In, and perhaps it never was, other than in the sense that women tend to vote more "conservatively" than men.

In that case the changes would reflect the circumstance that the Conservatives are being radicalized, while the Social Democrats are more and more coming to represent a party which protects the status quo.

It is interesting to note that in his material Holmberg was unable to confirm a change of opinion to the Right by the voters during the period 1970-1982,

The Social Democrats won the last election in an ideological headwind. The wind from the Right began to blow first during the 1980's.

There are two conclusions to draw from the material. The first conclusion is undoubtedly correct. The second is more uncertain. The left/right choice is really rather pointless.

But regardless of what happened to the wind from the Right during the 1970's, Holmberg's analysis indicates that the success of the Conservatives following the 1982 election, as reflected in the polls, is rather stable despite everything.

Both Social Democrats and Conservatives had a good election among the younger voters in 1982. Since then opinion polls indicate that the Conservatives continue to strengthen their position among young voters, while the Social Democrats are losing sympathy.

About one year ago many Social Democrats claimed that the wave of the Right had run out. Holmberg's study indicates the opposite.

Politicians tend to overrate haste and thereby underrate farsightedness in the shifts in values which take place in the electorate. The wave from the Left was not a phenomenon of 1968. The tendencies which culminated at the end of the 60's and the beginning of the 70's could be seen much sooner. The political breakthrough--the growth of the public sector--also came much earlier and lasted considerably longer than we could have imagined.

A trend in Holmberg's study is that the Social Democrats, despite good youth figures in 1982, are an aging party while the nonsocialist voters are growing younger. Fifteen years ago it was the opposite. It takes time, as the electorate as a whole is very stable. But the changes are in the right direction.

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CSO: 3650/142

MILITARY

EUROPEAN AFFAIRS

NATO NORTHERN FORCES COMMANDER ON SWEDEN'S ROLE IN WAR

Stockholm DAGENS NYHETER in Swedish 2 Jan 85 p 6

[Article by Bjorn Lindahl]

[Text] Oslo, December--Suddenly no one could help noticing that NATO had one of its most important headquarters in Kolsas near Oslo. On the street, in offices, at the homes of friends, and in taxis, the same incessant drone of American music could be heard, along with well-intended advice to American enlisted men.

Since the Culture Ministry authorized local radio broadcasts, the NATO radio station has become one of the most popular in Oslo, since it plays music around the clock. But only a modest number of American military personnel listen to the broadcasts. Only about 100 of the officers at AFNORTH, NATO headquarters for Northern Europe, are Americans. The rest are Norwegians, Danes, British, West Germans, and Canadians. There are no foreign enlisted men, since Norway permits no foreign bases in times of peace.

Although the American presence is small, the responsibility of AFNORTH is great. During times of war, the Northern Command is responsible not only for the defense of Norway, but also for that of Denmark, Schleswig-Holstein, and Hamburg. This area stretches 2,800 kilometers from north to south, from rugged mountains to the plains of Denmark. It is divided into three regional commands, two in Norway and one in Denmark.

Vital

The Northern Command has two vital tasks in the defense of NATO: to prevent Soviet troops from gaining a foothold in North Norway, thereby cutting off reinforcements to Europe, and to prevent the Soviet fleet from leaving the Baltic Sea.

"The buildup of forces that has occurred in Central Europe has not attracted as much attention in the Nordic countries as the buildup on the Kola Peninsula. But while the Warsaw Pact has two divisions on the Kola Peninsula and seven in Leningrad, there are 95 divisions in Central Europe. We can never know how much force would be used against Denmark and Schleswig-Holstein in an attack,"

said Maj Gen Gunnar Helset, the highest ranking Norwegian officer at the Northern Command.

The AFNORTH region is so large because it belongs together strategically. Nature does not permit a defense in depth of Denmark and Schleswig-Holstein. For this reason, the Danish military has been integrated into that of West Germany. In addition, the Warsaw Pact cannot gain control of the Baltic Straits without taking out the air bases of southern Norway.

During a war or crisis, command over Norwegian and Danish land, sea, and air forces is transferred to the Northern Command. West Germany has placed one division, two air force units, and its Baltic Sea fleet at the disposal of the command. Reinforcements from the United States, Canada, and Great Britain also have been earmarked for this area.

Divided Up

The peacetime task of the Northern Command is to develop defense plans. These plans must be approved by the affected countries, but during a war the Northern Command would be directly under SACEUR, NATO's supreme command for all of Europe, located in Belgium. The Norwegian commander in chief and political representatives would then serve as advisers at the Northern Command. Kolsas has a peacetime staff of 750 people.

The Northern Command is always led by a British general, while the remaining positions are carefully divided up among the six nations. The number of West German officers was recently doubled.

"When West German officers first came to Kolsas in 1959, they were met with demonstrations. We must still be careful about what we say in speeches around the country, but most of the wounds of the occupation have been healed and people accept us as allies," said West German Lt Col Johannes Petereit.

According to him, the Northern Command is one of the most exciting assignments within NATO, since there is such a complicated balance in the north.

"The biggest mistake that is made in comparing the balance of forces between East and West is that the time factor is not considered. NATO reinforcements are 6,000 kilometers away in the United States, while Warsaw Pact reinforcements are only 650 kilometers away. This makes an enormous difference in our conventional strength," Maj Gen Gunnar Helset said.

"I find comfort in the fact that the Russians are good chess players. This makes me rest more assured. As long as we maintain order in our own house and there are enough uncertainties facing a possible aggressor, then nothing will happen. It is difficult to foresee the results of a landing in North Norway during poor weather conditions and darkness," he said.

Questions

Recently, however, the allies themselves have begun to question Denmark's role in NATO. This concern is not shared by Helset.

"It is not particularly unusual that Denmark, with both economic and domestic political crises, is not at the top of the NATO list. But I believe that the Danish military effort is underrated," Helset said.

"When the Danish military accepts an assignment, it carries it out to the letter. Denmark has NATO's best compensation system for inflation. Tens of millions in inflation disappear from the Norwegian defense budget each year. Danish officers are highly professional. Their infantry won NATO's internal competition this year."

"Every country acts a bit strange in an internal political battle. A prime minister will do almost anything to survive. You should not take the pulse of a country every 10 minutes," Helset said.

Concern

There are other matters that cause him more concern.

"The enemy could open the Baltic Straits by using an attack with poisonous gas against our air bases. After 2 weeks, he could return and use them. They would not be damaged at all. This could be a palatable solution," he said.

"For this reason, NATO should have a certain capacity of chemical weapons, although it would be sufficient for them to be stored in the United States."

NATO could counter such a move by mining the Great Belt. As a former AFNORTH chief, Gen Anthony Farrar-Hockley, pointed out, however, this is not as simple as it may sound. When should the mining occur? It is not politically possible for NATO to fire the first shot in a conflict. What would we do if Soviet minelayers rammed the small Danish minelayers and kept the straits open by pure physical force? Soviet ships have rammed Danish ships even during times of peace.

Sweden

Thus, of the greatest importance to NATO is what Sweden does.

"Sweden is in the greatest danger of being drawn into a war if it does not have sufficient forces in the extreme north and in the extreme south. This would not prevent the Soviet Union from perceiving a great advantage in invading Sweden at a later date, but initially it would have insufficient divisions for such a move," Gunnar Helset said.

"We are satisfied with the idea that 'every meter of Swedish land will be defended tenaciously.' I have met no one in NATO who has been swayed by the wishful thinking that Sweden would join us in a future conflict."

Norway is accustomed to the increased political pressure the Soviet Union is now directing toward Sweden. For many years there have been recurring attacks against what the Russians see as an undermining of Norway's policy on military bases. Most often criticized are the prestockage of materiel for an American marine brigade and the fact that AWAC reconnaissance planes make intermediate landings in Norway.

"Sweden will certainly experience more pressure in the future, but the Russians are smart enough to realize that security policy is something of a religion in Sweden."

According to Helset, the goal of the Russians is to make sure that Norway abides by the stipulations set forth by the Norwegians themselves. In to the fact that no foreign bases or nuclear weapons may be located in Norway during times of peace, these stipulations also mean that no allied exercises or reconnaissance missions may occur east of Alta.

"By repeating our policies in these areas so often, we tie our hands in the event of a crisis. Changing our policy would be perceived as an extremely serious move."

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CSO: 3650/111

MILITARY

EUROPEAN AFFAIRS

OFFICIALS COMPARE AIR RAID SHELTER SITUATION IN NORDIC STATES

Helsinki UUSI SUOMI in Finnish 14 Nov 84 p 3

[Text] Oslo (STT-NTB)—In the event of a war, there are too few air raid shelters in the Nordic countries to protect that part of the population that becomes the target of an attack. Information gathered from officials of the different Nordic countries indicates that they are capable of best protecting the population against a conventional war. Only a small number of the air raid shelters are designed as shelters against nuclear explosions, whereas, on the other hand, all of them offer some sort of protection against radioactive fallout.

The least number of shelters for that part of the population that becomes a target of an attack is to be found in Norway and Finland. The situation is better in Sweden and Denmark, but they are behind official objectives with regard to the number of air raid shelters in all the Nordic countries.

According to a parliamentary investigation, there is room in Finland's air raid shelters for about 70 percent of those inhabitants of our cities and population centers whom it is assumed would become the target of an attack. In all of Finland there is air raid shelter space for over 2.3 million people.

In Sweden the air raid shelters can accommodate about 6 million people. Some of the shelters, however, are so located that people have to get to them as early as the readiness alert. There are more than enough air raid shelters for the inhabitants of the cities and population centers; space for 8 million has been provided for about 5.6 million people. This is due to the fact that they wanted the air raid shelters to be accessible to both homes and workplaces.

In Denmark there is air raid shelter space for 3.8 million, but they need space for 6.6 million. According to the Danish Civil Defense Agency, that need will be covered in the 1990's.

In Norway 2.1 million people will get space in air raid shelters in the event of a war. There are 4.1 million inhabitants in the country. They are capable of sheltering 65 percent of the population in the cities and population centers; in the rural areas the situation is worse. Since 1975 it has no longer been obligatory to build air raid shelters in connection with housing construction jobs.

In all the Nordic countries air raid shelters have been primarily designed for use in the event of a war fought with conventional weapons. "No one can design a shelter that will protect people against the end of the world," Canish Civil Defense Agency information chief H. Larsen said.

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CSO: 3617/46

MILITARY

BELGIUM

MARTENS ON DEFENSE, SECURITY POLICY CONSIDERATIONS

Brussels VOX in French 22 Nov 84 pp 5-7

["Full Text" of speech by Wilfried Martens, prime minister, at the opening session of a seminar at the Center for Defense Studies in the Prince Albert Club in Brussels on 6 November 1984]

[Text] On 6 November last, the opening session of the new seminar organized by the Center for Defense Studies took place. This seminar has a triple goal. First of all to inform, then to create a climate for mutual understanding among the participants who represent the most varied circles (political, academic, military, union, public and private sector, press, ...), and finally to give rise to a spirit of defense at the national level. A total of 19 weekly discussion sessions will be held on Tuesdays on the premises of the Prince Albert Club in Brussels, from 6 November 1984 until 26 March 1985.

Mr Wilfried Martens, prime minister, had agreed to speak at the opening session of this seminar. VOX offers you the full text of the speech he made on that occasion.

Until a few years ago, defense problems affected the public at large only very little, just like foreign policy, as a matter of fact, which experienced a long period of unity in our country.

Times have changed and defense has become a controversial, emotion charged subject on which everyone wants to have his say, and rightly so. The nuclear and conventional arsenals of the big powers oppose each other like destructive mountains, worrying the people, and are increasingly less credible as a guarantee of their security.

It is beneficial for the citizens to think about the country's defense policy because, unlike a totalitarian state, in a democratic society like ours the defense effort must be well understood and supported by the people.

Information being circulated on this matter is not always objective and a certain confusion reigns with regard to terminology and concepts, which prevents the public from having a clear and distinct view in this area.

Hence, reflection about our country's defense policy is taking place at the right time and I would like to tell you how much I appreciate the initiative taken by the Center for Defense Studies to devote a seminar to it.

As a foreword to your seminar, which will deal with the various aspects of defense policy, I would like to focus on security policy for a moment, a notion with broader dimensions than the traditional concept of defense of territory.

We are living in the 20th century, in a very particular period of history. Trade, cultural and political relations with other countries have always been important to Belgium: but it could be said that until 1914, and even to a certain extent until 1940, it was possible to imagine that independence and national security were essentially assured as long as the territory was protected against an invasion. Since then circumstances have changed completely, and not only for our country; even the largest nations in Europe know today that under certain circumstances they might become unable to ensure their economic survival, that they might be threatened by physical destruction or suffer irresistible political pressures and find themselves compelled to submit to the will of another, without having their territory necessarily being invaded and occupied by foreign troops.

Let us simply recall -- and this is a minor example -- the oil crisis of 1973. What did we notice at the time? That it took the will of only a few states, which did not even have a large military force, to put Europe face to face with considerable pressure and to call into question the functioning of its economy as a whole.

Let us try to understand what has changed, what has radically transformed our problem of security over a period of one or two generations.

The first element which strikes us -- which is illustrated by the oil crisis I have mentioned -- is the degree of interdependence among countries. The logic of modern production and communication techniques pushes for specialization and for trade, and interdependence imposes itself on us even more than on others because of our size and our geographical location.

This logic makes us vulnerable to any serious disorder, to any substantial crisis in international relations; but it must also be recognized that it has a positive side, both at the human level and in terms of the defense of our national interests. The remedy for the fragility of the interdependence among nations is the development of a very strong solidarity across borders. In the past, we might have had the feeling of a greater autonomy in decision making, but we also know, having suffered a foreign invasion twice in this century, that that feeling of autonomy went hand in hand with a certain isolation in the face of danger. Today, in a world which has certainly not become any less dangerous -- we find ourselves closely associated in a network of relations marked by a fundamental trust with our neighbors, the member countries of the European Community, and with the two big countries of North America in the Atlantic Alliance.

Hence, our diplomacy has responded, as did that of our neighbors in fact, to the logic of history. It is true that we are more interdependent and thus more vulnerable, but we have also been able to create strong solidarity and we have associated ourselves with others in order to exercise a not insignificant influence in the world and to strengthen our security.

However, our response cannot stop there. What we are witnessing through the growing interdependence of our economies, the circulation of people and the interpenetration of cultures is the birth of a world community which is searching for its structure and calls for broader solidarity. We could not content ourselves with locking ourselves in a club of rich countries and abandoning the rest of the world to its fate.

That would correspond neither to our values, nor to our interests, nor as a matter of fact to our long term security. When we talk about development cooperation or of making better use of the resources of the whole planet to the benefit of all, we are not talking solely of morality or justice!

All of that fits within the constraining logic of a planet which has become smaller in some ways, where everyone's actions have repercussions on all the others. In such a world, solidarity is not a luxury: it is a necessity and corresponds to the well understood interest of all. But are this solidarity and this interest always well understood?

From the moment that each state depends up to a point on the others for its wellbeing and its survival, is it not natural that some of them would try to expand their influence or even their control?

The traditional rivalry among states, which most often throughout the centuries took on the form of a territorial conflict, has thus been transferred in the 20th century to a more subtle and more universal level. We note that the Muslim world has been penetrated by various movements, which cross state borders and try to impose themselves on a vast region: likewise, Latin America, Asia and Africa are the objects of attempts, alternately peaceful and violent, aimed at spreading the influence or control of one movement or another and through them, of one country or another, over those continents. Europe did not escape that same phenomenon. Yes, an interdependent world is not for all that a world of harmony and peace.

The stakes of this very tough rivalry are certainly interests, but I would also say first of all values.

We very clearly have our own ideas on this subject. The world we want is a world of equality among interdependent nations, based on respect for international rules and solidarity freely agreed upon. We accept the diversity of views, opinions and interests at the international level as we do within our societies; we reject the concept of a hierarchical, intolerant world focussed on the exercise of force and the control and primacy of the strong over the weak. Finally, we want a free and democratic society in which man holds the central position.

This view of international relations and of society is common to the democracies of Western Europe and North America. That is the decisive tie that unites them internationally, and specifically in the Atlantic Alliance or the Community, as far as Europe is concerned. The Atlantic Alliance is most certainly the key to our security and our defense in the face of the power accumulated over the years by the Eastern Bloc.

But the key to our security in this world of economic interdependence is also found in a more united and stronger European Community, through which we can efficiently promote an authentic, humane and tolerant conception of international relations, in the face of the conception which has been imposed on Poland and on the other countries of Eastern Europe, and which strives to prevail in the world.

A second element, of a scientific and technological nature this time, has fundamentally transformed the data of our society.

Research and scientific progress, irreversible in their advance, have made possible the development of means of total and gigantic destruction, unknown before.

Therefore, the idea of pure and simple defense had become obsolete and henceforth security required, in addition to a conventional defensive force, also a nuclear deterrent strategic arsenal which would reach a quantitative and qualitative level such that each adversary was convinced that, even after suffering a nuclear attack, it would be able to annihilate the other.

Next, technological progress has made it possible to better calibrate and condition the military arsenals, in such a way that they have become more adequate, more precise, more mobile, also more undetectable, in short more sophisticated, which makes the problem of security all the more complex.

And then, is it still necessary to recall the danger represented by the proliferation of nuclear arms and the additional impact this might have on the threat to our security?

Finally, a third element, of a sociological nature, not to say a moral nature, could, I believe, strongly influence our problem of security.

While in the past, to defend territory was incumbent upon the army and the whole population which patriotically threw itself into the battle, conditions are no longer the same today when science and technology have given a totally different dimension to military defense and especially to man's place in it.

Hence there is a real risk, on the one hand, that our populations, lacking motivation because of the idea of automatic defense, of a push-button war, will no longer feel concerned and, on the other hand, that our people, haunted by the horrors of a nuclear holocaust, will look for all the solutions to their security problems only in action supporting peace.

The pacifist movements certainly have the merit of sensitizing and mobilizing public opinion. It is a laudable and constructive task to the extent however that it is aimed at committing the people to work for peace, while recognizing and respecting their legitimate right to security, and their duty to participate in it.

In short, I would say that in the light of the evolution of the question of security in a world where interdependence has made us more fragile, but solidarity has made us stronger, where economic weapons can hit as harshly as military weapons, where technology makes total physical destruction possible, and where the people are clamoring more than ever for peace, it is incumbent upon us to develop a security policy within a broader framework, in which economic, social and developmental aspects in the world find their just place. It is also incumbent upon us to inform and to sensitize the citizens to the role they have to play in safeguarding our security and peace in the world.

Because our first goal admittedly is to safeguard peace; we also know that any war, even if it were fought at the level of conventional arms alone, would reduce Europe to ashes. But we are not looking for just any kind of peace: if that were the case, it would be sufficient to meet all the conditions laid down by the one who threatens us, and to abandon the world to the law of the strongest and of the most violent.

The peace we are searching for, that which is based on justice and liberty, that which preserves the rights of the weak and the dignity of all, cannot be obtained in the harsh world which is ours by ingenious and fragile means. It requires from everyone a solidarity characterized by effort and by a real distribution of responsibilities.

As for Belgium, it will know how to remain in solidarity with its European and Atlantic partners, and it will know how to assume its responsibilities. Our defense policy will be the expression of this.

As for Europe, with its geopolitical reality, with its specific security problems and with its own identity, it will have to take a greater share of responsibilities within Atlantic security based on better cooperation and cohesion among Europeans.

The will to act in this direction was expressed forcefully on 27 October last, in Rome, within the Western European Union, the only European organization competent in matters of defense.

Convinced of the necessity to affirm ourselves more effectively in matters of security and defense within the Alliance, and to achieve a European security policy, closer to our people, we hope that the declaration of intent of the WEU will be translated rapidly in a better European dialogue within the Alliance and tangible cooperation, specifically in the area of armaments.

In short, not only have several elements of the security problem changed considerably, but the framework in which our security is conceived and organized is evolving; an evolution which is justified only to the extent that it does

not weaken or divide the Alliance, but on the contrary strengthens the Atlantic solidarity.

Through the evolution of history itself, Belgium's security interests currently lie within a broader framework -- whether we want them to or not --, where the future of Europe and even of international relations as a whole are being played out. We can undoubtedly rejoice about this, because we are benefitting from strong solidarity and we are serving a cause which goes beyond our national destiny; but we must also, more even than in the past, be attentive and sensitive to the harsh realities of world balances and to the responsibilities which are incumbent upon us.

Finally, does this mean that we must resign ourselves to the perpetuation of the current state of affairs, characterized by the constant increase of arms which threaten us, and to which we are forced to respond, admittedly in a measured, but yet determined and effective way? I do not think so. Our goal is to replace that costly balance, marked by distrust and tensions, with a mutual security system which would be negotiated between East and West and would make it possible to ensure our relations on a more stable and more cooperative basis. All our diplomacy, and that of the Alliance, goes in this direction.

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MILITARY

DENMARK

SPECIAL PARLIAMENTARY SECURITY COMMITTEE SEEKS NEW CONSENSUS

Six Months Work Anticipated

Copenhagen BERLINGSKE TIDENDE in Danish 17 Jan 85 p 6

[Article by Thorkild Dahl: "Security Committee Will Create Broad Unity"]

[Text] On Friday the new committee will open a thorough-going analysis of Denmark's security policy situation. The work of the committee is expected to take at least 6 months, and it is suggested among other things that there will be trips to Oslo, Brussels and possibly Washington.

At a secret meeting between the chairman of the Social Democratic Party, Anker Jorgensen, and the chairman of the Conservative group, Knud Ostergaard, both expressed a desire that the work of the committee, which will begin tomorrow in the Storting, have the stated goal of trying to reestablish the lost broad unity in Danish foreign and security policy.

Calling in security policy experts, trips abroad, and the voluminous security policy Dyvig report will all be a part of the Folketing committee's work in the next few months, and there are no reports of new disturbing debates about foreign and security policy in the Folketing.

"I hope that we in the committee can reach unity. Thawing in East-West relations can facilitate the work," said Knud Ostergaard, the chairman of the committee.

The Social Democratic foreign and security policy spokesman Lasse Budtz emphasized the more favorable climate following the Soviet-American foreign minister meeting in Geneva, and said, "It is clear that it is also easier to achieve unity in a small country."

The Dyvig Committee was appointed after 2 years of often bitter clashes between Social Democrats and the government parties, with sharp personal attacks and a Social Democratic attempt to oust Foreign Minister Uffe Elleemann-Jensen (Liberal).

Custodians

Also internally within the Social Democratic Party, feelings have been running high over the party's changed security policy position, and the party's clear NATO wing, the custodians, have wanted to calm down feelings about Denmark's NATO membership. That led to political spokesman Svend Auken's request of last summer to try to let a new Folketing committee attempt to bring the positions of the NATO parties together.

Disagreement between the Social Democrats and the four government parties about signaling Danish security policy to the outside world is still large, and the government parties have refused to vote for the resolution of 3 May which is the foundation of Danish security policy.

It is not Denmark's fundamental membership in NATO which divides the government parties and the Social Democrats, but the interpretation of the changed social democratic attitude toward the deployment of NATO medium range missiles and the consequences of the 3 May resolution for Danish membership in NATO.

"The Social Democrats want Denmark to be nuclear weapon free in peace, crisis and war by establishing a Nordic nuclear weapon free zone, but that would mean farewell to the NATO Nuclear Planning Group and create problems in the NATO reinforcement agreements for Denmark," said Bjorn Elmquist, the foreign and security policy spokesman of the Liberal Party, who added that Denmark would be partly resigning from NATO by following social democratic policies.

"We will not present the 3 May resolution in the committee, but we will have it in our pocket. It is, however, necessary that the government parties be aware that it is a part of the Social Democrats' working program," said Lasse Budtz.

New Debate

The debate in the new Folketing committee will lead to a new Folketing debate, and Lasse Budtz said that "Social Democrats believe that it would be desirable for the parties to come together on a resolution."

"We know that can be difficult, and perhaps impossible, but if we can not agree on a large number of points it would be better for the stability of our security policy if we could agree on a few," said Lasse Budtz.

That is a working plan which is supported by the Liberal Party spokesman Bjorn Elmquist. "It is unrealistic to expect that the Social Democrats will come down off the mountain--the 3 May resolution--but we also have our opinions. Now we must provisionally see what we can agree on."

The committee chairman Knud Ostergaard expects that the committee will meet every 14 days, so it will be possible to get answers to questions either from the Foreign or Defense Ministries.

"We will not produce a half-finished work, but will try to investigate all subjects thoroughly. The task of the committee will thus be to deliver a conclusion in one report. I hope that we can agree on that," said Knud Ostergaard, who does not want to set a time limit on the length of the committee's work.

NATO Travels

In both the Social Democratic and the Socialist People's Parties, however, desires have been expressed that during the course of the committee's work there will be partial reports with the positions of the parties.

Besides answers from the Foreign and Defense Ministries to questions, it is expected that a number of security policy experts will be called in. Visits to Norway and other places which have been through a comparable clarification process between the government and the opposition, and a visit to NATO headquarters in Brussels are expected to be a part of the security policy committee's work. A visit to Washington will also be considered.

The basic working paper of the committee will be the 146-page Dylig report on Denmark's security policy situation in the 1980's. It was prepared under the supervision of Foreign Ministry department head Ambassador Peter Dylig. The interest abroad was so great that the report has now been translated into both English and Russian.

Lasse Evtz called the report a well-written catalogue of positions on Danish security policy. "There is nothing in the report which we did not already know, but it can be a good starting point for basic clarification work."

SDP's Ritt Bjerregaard Participating

Copenhagen BERLINGSKE TIDENDE in Danish 18 Jan 85 p 18

[Article by Thorkild Dahl: "Ritt Bjerregaard Says NATO Is Covering Security Needs"]

[Text] Today the political parties are beginning a basic analysis of Denmark's security policy situation in an effort to regain broad political unity on foreign and security policy.

"There is no security policy alternative to Denmark's membership in NATO, because Denmark can not cover its security requirements better or cheaper. We expect to pay a price for so much political independence and freedom of action which we can now achieve, considering the size of our country and the predominant presence of the superpowers."

That was said by the vice chairman of the Social Democratic Folketing Group, Ritt Bjerregaard, and it emphasizes the Social Democrats' demand that future

Danish defense policy must not be supported by nuclear weapons either in peace, crisis or war.

After 2 years of bitter conflict over Danish security policy, the new security policy Dyvig Committee today begins at Christiansborg a basic parliamentary work of clarification with the demanding task of trying to reestablish the previous broad unity on Danish security policy.

On the table in committee room 41 at Christiansborg is the extensive Dyvig report on Denmark's security policy situation. The debate will concentrate on NATO membership, which a comfortable majority consisting of the government parties and the Social Democrats see as a cornerstone of Danish security policy. At the same time, however, there is deep disagreement between the two about the shape of Danish security policy as a member of NATO.

The new security policy committee is largely composed of the same outstanding politicians who also sit on the constitutionally established Foreign Policy Board. Ritt Bjerregaard is, however, new. She has previously been outside the foreign and security policy committees at Christiansborg. In articles and newspapers, however, she has actively participated in the Social Democrats' own security policy clashes, struck out at the party's NATO wing and named them "the custodians." Ritt Bjerregaard is a member in place of former Foreign Minister Kjeld Olesen.

Budtz Expresses Support

Copenhagen BERLINGSKE TIDENDE in Danish 19 Jan 85 p 7

[Article by Thorkild Dahl: "Long Time Until Debate About NATO"]

[Text] The debate about Denmark's future NATO policy will take place on the basis of a thorough analysis of East-West relations and the consequences of NATO membership.

The great political blow of Denmark's security policy will first be struck after a several month long and thorough analysis of East-West relations in the Folketing's new security policy committee.

The security policy committee agreed yesterday on a timetable for the clarification work which will try to recreate the lost unity in Denmark's security policy. Unity also led to a recognition that a political debate in the committee would obstruct the work of ending 2 years of often bitter conflict between the government and the Social Democrats over Denmark's security policy.

On the table is the Social Democratic resolution which was approved on 3 May last year after a security policy clash in the Folketing which clearly divided the government parties and the Social Democrats over the changed security policy course for Denmark's NATO membership.

The Social Democratic Party's security policy spokesman Lasse Budtz does not expect that the committee work will end in broad unity, but "there is a reasonable chance to reach some agreement."

Pessimistic

The Center Democrats' member of the committee Frode Nor Christensen was very pessimistic about the possibilities of unity on security policy, and said that the distance is too great, and that "it is the Social Democrats who have lost the security policy line."

"We have chosen in fact to go through the official report--the Dyvig report--subject by subject." Said Knud Ostergaard after the meeting, "and the first subject is confidence-building measures in East-West relations."

A number of experts will be called to the hearings, and on 8 February the committee will have the opportunity for a discussion with the secretary general of NATO Lord Carrington, who is coming on a visit to Copenhagen.

Also the committee will, "as needed," travel, and Knut Ostergaard said the committee will visit NATO's northern command at Kolsaas in Norway. During the visit there will also be discussions with politicians in the Storting who have been through a similar security policy clarification work between the government and the opposition. There were also suggestions made in the committee about visits to Stockholm, Bonn and Washington.

Starting in February the security policy committee will meet every other Wednesday, and it will finish at the earliest at the end of the year. The chairman of the committee Knud Ostergaard desires that the committee finish its work by making a report.

The security policy committee will meet again on 6 February.

Government's Security Policy Frustrations

Copenhagen BERLINGSKE TIDENDE in Danish 18 Jan 85 p 10

[Editorial: "The Government's Terms"]

[Text] Since the war Denmark has developed a tradition for minority governments which is unique in European politics. It is difficult to practice, because it demands greater tolerance in political life than is really its nature. It can also be difficult to understand, because minority governments' terms at times place them outside the current parliamentary rules of the game. They can choose to survive defeat which would have destroyed a majority government. They can choose to follow a policy which is not their own. They have a life after death, when they want it. But when they choose to have it they must explain themselves, if they want to be understood.

Countries abroad have been sincerely astonished at the security policy that the Schluter Government has followed this year, even though it has tried to explain itself. Our allies have made allowances for it, but have not been able to understand the reason for it or the validity of it. Understanding of the government's strange terms in the given situation is easier to mobilize here, where it is known that it was not its own responsibility. But here also understanding can be a problem. Security policy has been a heavy burden on the government's relations with its own voters. It has required more than tolerance and patience. It has required a calculated effort of nonsocialist voters relying on the government's other inputs for a constructive social policy to require it and justify it. The restoration policy has received the unreserved support that it has earned and deserves.

That does not mean that along the way there will not be points where many of the government's voters or shifting groups among them will be disappointed. It is not only "on issues where the money is in place," as Minister of Justice Ninn-Hansen said in BERLINGSKE TIDENDE yesterday. It is rather on isolated and distinctive questions of attitude. The government experienced a small crisis of confidence last summer for its position on the HT conflict. It has been in disfavor with the nonsocialists in recent weeks because it had to accept a law with retroactive force. It was not a reaction of kroner and ore, but against a breach of principle which is important for our social understanding. It was not a rightwing reaction. It had its roots in the nonsocialist society.

The government should not complain about a lack of understanding for its parliamentary actions. It is clear that it was powerless against the passage of this vulnerable law. But the reactions show that it should have made its powerlessness apparent. It is perhaps unnatural for a government to make a virtue of the limitations of its power. But it can be necessary.

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MILITARY

FEDERAL REPUBLIC OF GERMANY

LUFTWAFFE CHIEF OF FEFA, TORNADO, AIR DEFENSE, RESERVISTS

From WEHRTECHNIK in German Dec 84 pp 31-37

[Interview with Luftwaffe Chief of Staff LtGen Eberhard Eimler, interview conducted by WEHRTECHNIK editor Wolfgang Flume, date and place not indicated: "Paramount Goal: To Continue to Fulfill Our Luftwaffe Mission"]

[Text] "Air defense and conventional combat power in general have been improved, not to the least extent by the supply of appropriate modern ammunition," is the comment of Luftwaffe Chief of Staff, Lt Gen Eimler regarding the result of the comprehensive planning survey of the Bundeswehr. In the following interview the Chief of Staff comments on current problems, such as the Fighter 90, which now has received European tactical requirements, the "Tornado" that finally will receive the MW-1 multi-purpose weapon, and the use of cruise missiles. In the center of discussion is of course the improvement of air defense through surface systems, there is research to determine the suitability of the air-to-air AIM-9L missile for that purpose. The use of reservists is also to be increased, even today the proportion of reservists in the Luftwaffe mission amounts to about 47 percent.

[Question] To what extent are you as the Chief of Staff of the Luftwaffe satisfied with the results of the comprehensive Bundeswehr planning survey? It was somewhat surprising that the acquisition of the Fighter 90 will now take place only in 1997, instead of 1995 as planned by the Luftwaffe, and probably in reduced numbers as well.

[Answer] A military planning survey was required and I supported its execution.

We know where we are and how things will be in the next few years for the Bundeswehr and the services. The aim is to preserve the efficiency of the services, to include the Luftwaffe. In my opinion this has been achieved. It is obvious that there were fluctuations, both in the dates for introduction and in the number of end items, due to the financial situation.

On the whole I am satisfied with what the Luftwaffe contributes and will contribute to meet its obligation for defense within the NATO framework. Air defense and conventional combat power in general will be improved, not to the least extent by the supply of appropriate modern ammunition.

[Question] According to the original plans the "Tornado" acquisition program was to be followed by acquisitions of "Patriot/Roland," with the Fighter 90 coming as the next major piece, followed by the medium-range air defense missile system MFS. Will the MFS now also be pushed backward, and will the "Hawk" once more be basically improved?

[Answer] Luftwaffe planning for the next years is unchanged. The concentration has been and will be on air defense. This means that in the 90s the F-4F must be replaced, and that also in the late 90s the Improved Hawk weapon system will also be at the end of its useful life. But this exceeds the limits of planning. Further measures to prolong the life of the Hawk and improve its capabilities have been included in plans until such a time that an MFS can be acquired.

[Question] This year was characterized by a multitude of negotiations about the Fighter 90. Could you briefly outline the results obtained to date? To what extent has the Luftwaffe been able to conform its desires to those of the partners?

[Answer] Air force and armament headquarters have continued their research with the industry for a European fighter plane on the basis of the Outline European Staff Target (OEST) and made them more precise. Exploratory investigations have shown that the requirements of the air forces can be met. The ministries of the five participating nations have been informed of this, and they in turn have directed a feasibility study. For this study a Statement of Work, approved by the armament directors has been received, as well as a European Staff Target--EST--that has been signed by the five nations. The requirements of the national phasing document "Tactical Specifications for JF-90" (TaF) have been included in the European Staff Study. If the EST can be met, the Luftwaffe will receive a fighter with capabilities we deem necessary for future fulfillment of our air defense mission.

[Question] You mentioned that the requirements of the German TaF have been incorporated in the European Staff Target. To what extent is the TaF identical to the EST?

[Answer] Of course, the conversations were not always simple, on occasion it came to brass knuckles. Nevertheless we are satisfied, since our TaF fully covers the EST. On the other hand--some nations will probably submit some national reservations.

[Question] The former TKF has been renamed "Fighter 90"--does this mean abandonment of an air-surface role?

[Answer] The secondary ground support role has been included in the Tactical Requirements and is reflected in the EST. The concentration, however, is on the air to air mission, as formulated already in the OEST. This is the decisive expression. This is also reflected in our Tactical Requirements JF-90, they are no longer the old TaF TKF which paid greater attention to the ground support role.

[Question] There was lengthy discussion about the net weight of the European fighter, some demanding about 9 tons, others 10. What was the agreed figure?

[Answer] We will probably agree on a net weight of about 9.5 tons, this weight is decisive for utilization. The developed EST poses much narrower requirements than the OEST, now the industry knows much more precisely what is has to develop. We are hoping that the feasibility study will be finished by about spring 1985.

MW 1 To Be Introduced

[Question] "Tornado" was attacked this year by the press, and you reacted very quickly to the criticisms. What are your specific experiences with this new weapon system and how far along are you with the introduction of the MW-1?

[Answer] As far as the piloting experiences go: The "Tornado" weapon system was designed for extremely low altitude missions at subsonic speed in all weather conditions. The aircraft was optimized for that mission spectrum and has up to now met our expectations. The navigational precision of the "Tornado" is better than could be expected in the formulation of the military-technical requirements. With the "Tornado" as weapons carrier projectiles are dropped with unprecedented precision, and thus the weapons system is suitable both as carrier of previously introduced munitions, and for keeping up with future weapon developments. The ability of the "Tornado" to execute automatic terrain flight under extreme weather conditions was proven.

Re-equipping of units proceeds according to plans. Crews and technical personnel were retrained in a timely fashion, so that unit training could begin immediately. There have been no major problems. Everywhere the soldiers react positively to the new weapon system.

Supply of the new weapon system with spare parts caused difficulties in the beginning. That is normal. Since the failure rate of the various components is not adequately known there can be bottlenecks in parts supply--this is understandable in the case of series production programs, since the parts produced are primarily used for new airplanes. Remedial measures have been effective and a consolidation of the positive trends is to be expected in the near future.

As to your question about the introduction of the MW-1--the introduction authorization has been received for the first lot of the Multi-Purpose Weapon 1 (MW-1). The warheads of the first lot are in production and will be delivered

to the JaboG 31 [fighter bomber squadron 31] as the first unit of the Luftwaffe beginning in late 1984.

[Question] The 1985 budget includes initial development funds for a further "Tornado" version. What are the Luftwaffe plans for this version--will it become purely a reconnaissance aircraft or are the thoughts running more toward ECR?

[Answer] Your question is a little ahead of its time, since we are currently very intensively analyzing the questions you raised. We know that our means for penetrating air reconnaissance will reach the end of their lifespan around the year 2000. Looking at the required replacement we are considering whether a solution could be found in connection with the SEAD--Suppression of Enemy Air Defense.

Since we have not concluded our research I understandably cannot give you a definite answer.

Use of RPVs

[Question] Staying with the "Tornado"--many consider the low flying "Tornado" to be extremely vulnerable to ground defenses. To what extent are you thinking of the use of advance decoy drones, such as used by the Israelis, for example?

[Answer] The highest concentration and effectiveness of enemy AD systems will surely be found above the combat zone and around highly valuable targets in the rear, especially the bases of the enemy aircraft. The primary aim of the NATO air forces thus must be the suppression of the enemy air defense threat, so that a favorable proportion of friendly aircraft losses and operative success can be achieved. A promising possibility to avoid premature detection and engagement is primarily the use of flying weapon systems at low-altitude and high speed, something the "Tornado" is optimally designed to do. Over and above this other possibilities within the SEAD concept will be used, including the use of antiradar weapons and of small drones. In following this concept we revived the small antiradar drone project cut in the 1981 defense reduction.

[Question] By equipping the fighter bomber squadrons with the two-seat "Tornado" as replacement for the one-seat "Starfighter" the Luftwaffe requirements for flying crews has increased. Have you been able to meet the demand and what is the replacement situation in your service, especially for the highly qualified positions.

[Answer] In spite of the increased number of flying personnel for jet combat aircraft demanded by the introduction of the "Tornado" the Luftwaffe has been able to fully meet its yearly replacement quota for officer candidates in flying positions. The achievement of the projected end amount is, however, also dependent on the allocation of appropriate positions--for example, there are still some positions missing for weapon system officers. As before, the young people are very interested in the flying service with the Luftwaffe,

so I am counting on a sufficiently high number of applicants until the end of the decade. The same is true for other officers in troop positions within the Luftwaffe.

[Question] The German Luftwaffe will finally receive the "Roland" anti-aircraft rocket system for defense of friendly airfields, but not in the originally requested numbers. Will there thus be other systems for site defense, perhaps using existing weapons such as the "Sidewinder" or the 27-mm cannon?

[Answer] Site defense of the Luftwaffe will improve markedly in future years with the introduction of the "Roland" weapon system. In the first place it is to be used to protect the "Tornado" and "Phantom" fields. But the "Roland's" high mobility and stationing according to operational means allow for adequate protection of Luftwaffe sites and a flexible response to changing situations.

In addition, we are researching to what extent the air-to-air AIM-9L "Sidewinder" missile is suitable for a surface-to-air role, to supplement site protection that will include our existing 20-mm cannon in addition to the "Roland."

[Question] With the introduction of the "Roland/Patriot" into the Luftwaffe the middle and southern German area will be more extensively included in the Luftwaffe air defense. Will this not lead to difficulties, especially with non-commissioned officers with their increased reluctance to change stations, not to mention that the current "Nike" personnel will have to be assigned quite different duties?

[Answer] This topic is so close to my heart that I discussed it at length during the last Luftwaffe general officers' meeting. Transfers cannot be avoided. There must be especially careful planning and execution. We will attempt to alleviate difficulties to the greatest possible extent through appropriate personnel management measures. The Luftwaffe needs not only qualified but also motivated soldiers. All soldiers concerned can be assured that every individual case will be considered comprehensively and responsibly. I charge the decisionmakers in this area to reduce to the greatest possible extent the negative results for the individual and the family. The introduction of the "Roland/Patriot," two technically new weapons systems compared to the "Nike," will also have a motivating effect on our soldiers. The current "Nike" personnel consists of highly qualified soldiers who are capable of meeting future missions.

Increased Use of Reservists

[Question] The army often speaks of increased use of the reserve potential, and the participation of reservists at maneuvers is pointed out. To what extent does the Luftwaffe use reservists--is this not cause for considerable problems in a mainly technical service, for example, considering training?

[Answer] Within forward defense the Luftwaffe must be prepared to meet its mission at any time and initially without mobilization augmentation. This requires constant mission readiness and appropriate alertness. The installations and units of the air force charged with leadership and combat must largely rely on active duty personnel. Due to the limited peacetime strength the Luftwaffe must thus make increased use of reservists in support functions.

The proportion of reservists in the Luftwaffe defense structure is currently about 100,000 (=47 percent). This figure alone illustrates the importance of the reservists included in the mobilization plans. Of these 45,000 will be used in active units and 55,000 for activation of reserve units, allocation of resources for support tasks, defense of important Luftwaffe installation, and repair of combat damages. Training for this takes place during basic service, maintenance within individual exercises and mobilization exercises. The increased importance of reservists has been reflected in the reorganization of the Luftwaffe replacement system and the mobilization exercises. The duration and rhythm of mobilization exercises were redesigned with the aim

- to make training more effective,
- to make more efficient use of training time and training facilities, and
- to increase the readiness of equipped units.

We want to acquaint the reservists with their tasks, improve their ties to the mobilization unit, further cohesiveness, and instill in them a sense of their personal contribution to defense.

Personnel Saving Technologies

[Question] A supplemental question--the peacetime Bundeswehr strength might be reduced from current levels on the basis of a shortage of draftees in the 90s. This would mean certain personnel reductions for the Luftwaffe as well. In what areas could this be done without a reduction of missiles?

[Answer] The declining personnel supply in the 90s has a quantitative and qualitative aspect. Besides the question of extent we must consider opportunities to secure the required number of reenlistments needed to perform the Luftwaffe mission. Our research will not be concluded until early 1985. It would be premature to identify individual sectors.

We will depart from the premise that we will be able to master possible reductions with targeted countermeasures. The organization of the Luftwaffe, the effectiveness of which was noted in defense structure analyses, does not have to be changed basically. The Luftwaffe has incorporated the prospective personnel development in its development program. Systems planned until the year 2000 will increasingly use personnel saving technologies and will contribute markedly to solve the quantitative problem.

Further savings in the training organization area can be realized by reduced requirements. Our analysis catalog contains all measures that can be incorporated under the term "rationalization." Our research does not include a single opportunity a priori.

Our supreme mission is to fulfill in the future the Luftwaffe task within the NATO obligations according to the role of the air forces within total defense.

[Question] Recently the Rhein-Flugzeugbau delivered the first "Fan-Trainer" series. This leads to the question: What is the current training concept for Luftwaffe flight crews and when and how will the Piaggio P-149 be used? To what extent is that a concern of the Luftwaffe?

[Answer] Our current training concept allows us to train replacements for our aircraft pilots and flying crews in a timely manner and to cover thus personnel requirements.

I am satisfied with the quality of training, but this does not mean that the existing training directives and training procedures must not continually be inspected and their effectiveness investigated.

At this time we are again at one such stage. The primary question is--is it still effective to conduct that basic pilot training and advanced training together with the NATO partners within the Euro-NATO-Joint-Jet Training agreed upon until 1991?

It is not inconceivable that this investigation will consider whether a new airplane is to be used. Generally it can be said that investigations are underway and that final conclusions are not yet available, and thus I cannot give you a final answer.

[Question] The flow of information in the Luftwaffe from top to bottom has been improved by you. Was this all that was necessary, i.e., were there deficiencies in that area? Specifically, what measures have you taken?

[Answer] The flow of information from top to bottom and vice versa is a prerequisite for sensible decisions and actions. I am very concerned that every soldier knows what the Luftwaffe in general means. Mission tactics and delegation of responsibility are only effective when the military leader knows how to incorporate his task in the actual total situation. Here some ground must be made up, as polls of young soldiers indicate; I experience this also in my visits to the units when I go out to the jobs, to the shops and talk with the soldiers. The soldiers want to know what is going on. Once they know that they are prepared to do their best.

For example, we have changed the character of commanders' calls. Commanders at regimental level meet regionally, command agencies meet in North and South to stay "up to date" and exchange thoughts with the Luftwaffe leadership, discuss problems, but also to gain insights from the concerns, problems, and solutions outside their own sphere of activity. Here aims are outlined and background information supplied, to increase the practical relevance of orders and directives to the leadership.

Security Service

[Question] The ground defense service of the Luftwaffe has been in an orphan's role. Couldn't something be done about it in the future, since

this sector should not be all that unimportant in view of the other tasks of the Luftwaffe.

[Answer] The Security Service of the Luftwaffe, as it is now called, is less in the public view than the great acquisition projects like the "Tornado" and "Patriot." To conclude that there is an "orphan's role" to be played I do not deem to be justifiable. To the contrary, I pay particular attention to that part of the Luftwaffe, as you can see by the renaming. This service is carried out by the Luftwaffe Security Force.

Problems in this area go from the duty hours, which has a particular effect on the motivation of soldiers, principally inductees, to changes in mission, equipment and training. I have introduced concrete measures:

- Reduction of duty hours,
- Intensification of general basic training,
- Improvement in supervisor training,
- Execution of site defense exercises including reservists from the Luftwaffe security squadrons.

In addition, the Luftwaffe inspector group is currently investigating the leadership abilities of the air base groups, and the local security plans. The aim of all the measures is to make the security service of the Luftwaffe more effective and thus also more attractive.

[Question] Early this year a Luftwaffe press center was opened in Wahn. How has it performed to date and has this resulted in an improvement in the public affairs effort of the Luftwaffe that you seem to advocate?

[Answer] The publicity effort has not always been treated with the importance that I think is its due, and it will become even more important in the future. The press center is an instrument for the Luftwaffe that can meet this task faster, more rationally, and thus more effectively. Whether it meets its tasks depends on you and your colleagues using the center. I hear that there is general approval that a central point of contact exists for the press, and that thus continuity is assured and there are no longer any difficulties in determining responsibilities.

9240
CSO: 3620/169

MILITARY

NORWAY

CRUISE MISSILE INCIDENT REVEALS SHORTCOMINGS IN MILITARY'S RADAR

Stockholm DAGENS NYHETER in Swedish 12 Jan 85 p 13

[Article by Bjorn Lindahl]

[Text] Oslo, 11 Jan--The Soviet missile that passed over Norwegian and Finnish territory directed attention once again to Russian activity in the Barents Sea. But the incident may have revealed even more about the Norwegian intelligence service and Norwegian defense.

According to the Norwegian newspaper DAGBLADET the Norwegian defense force first thought it was an airplane, although it was behaving in a strange way. The guided missile came in over Pasvikdalen on 28 December but NATO's political organ and presumably Prime Minister Kare Willoch as well were not informed before 2 January.

Oddmund Hammerstad, undersecretary in the Defense Ministry, has said that he was the first person in the political leadership to be informed. This was 1 1/2 hours after the incident occurred. Right after that Foreign Minister Svenn Stray was notified of the event.

"My impression was that it was already clear at that time that a missile was involved," said Erik Senstad, bureau chief in the Norwegian Defense Ministry.

Old Missile

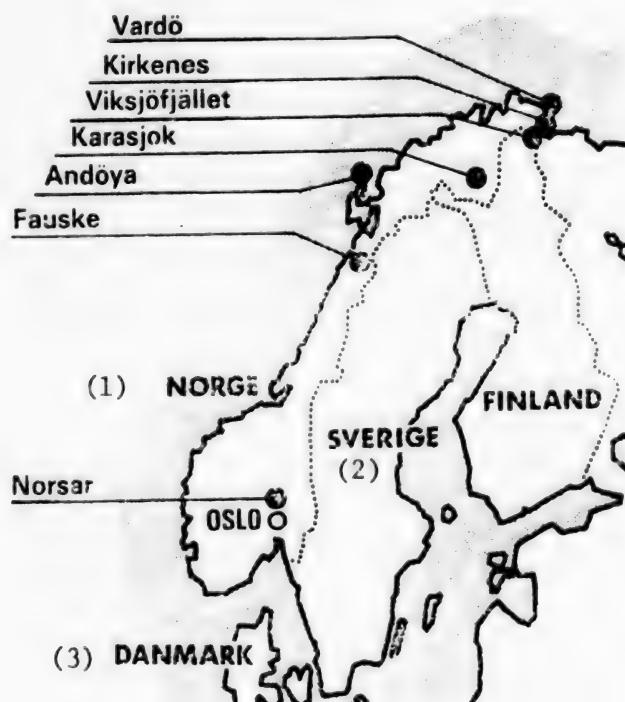
The guided missile was detected by a radar station on Vardo. Since the missile was an older model it could not fly very low and was probably hard to distinguish from a fighter plane.

To be quite sure that it really was a missile the radar picture had to be compared with other similar signals. Comparing the sound signals was even more demanding. In addition the local population had to be questioned and all this happened during a holiday season. With an entire community going around and wondering what could have happened it is amazing that it took so long before anyone got in touch with the radio people. When that happened the defense system was forced to issue a press statement. This occurred somewhat earlier than planned.

In addition to the radar station in Vardo that detected the missile, there is another facility that is operated in cooperation with the United States. It is a radio listening station that works with a similar station in Viksjofjall- et, not far from Kirkenes.

By operating the two stations in tandem one can determine not only the direction but also the position of a radio source. The stations were built in 1972 at the same time as the Soviet Union began its missile tests in the Barents Sea. Therefore it seems reasonable to assume that this is the main task performed by the stations.

"To interpret it as a feat that Norway detected the missile is a mistake. If the intention was to use it as a guided missile it certainly must have sent out electronic signals. The intelligence service must have followed it during the test," said Nils Petter Gleditsch, the Norwegian peace researcher who has been prominent in examining the military intelligence service.



Vardo, Kirkenes, Viksjofjallet, Andoya and Fauske are some of the Norwegian radio listening stations--there are eight stations of this type in all. There is submarine surveillance at Andoya and there is another Norwegian station for this purpose. There are facilities for registering nuclear explosions at Norsar and Karasjok.

Key: 1. Norway
 2. Sweden

3. Denmark

"What is interesting is whether the intelligence service noticed that something was going wrong and failed to notify the air force. We certainly never dreamed that anything like that could happen, but one effect may be that the intelligence service will speak up when missile exercises take place in the future," Gleditsch said.

Erik Senstad of the Defense Ministry confirmed that the intelligence service usually comes in at a later stage.

"We think the systems we have function well and that no changes are needed," he said.

Accident

Everything indicates that the missile incident was an accident but it must have given the Soviet military a golden opportunity to check Norwegian preparedness and how the Norwegians deal with similar situations.

The military intelligence service has always been controversial. Some proudly call it Norway's most important contribution to NATO. Others somewhat contemptuously call it "Uncle Sam's rabbits."

A total of 500-1000 Norwegians perform radio listening tasks. This means that this part of the intelligence service alone costs hundreds of millions of kronor a year in wages. But these are expenses that do not show up in the defense budget. Norwegian politicians have never confirmed that it is the United States that pays most or all of these expenses.

But that was the case with the two first stations which were built in 1959-60 and belonged to the Loran C network, a system that helps American nuclear submarines to determine their position.

New Stations

Leaks and declassified documents have shown that Loran C was built as a result of an American initiative on sites proposed by the United States for purely American military purposes, using American funds and American firms. The stations were also operated with American money by Norwegians trained in the United States working with American advisers under the scrutiny of an office at the American Embassy in Copenhagen.

"It is not surprising that some people feels it undermines Norwegian policy not to have foreign bases in Norway," Nils Petter Gleditsch said.

After Loran C, which is almost obsolescent today, a number of other stations were built up with a minimum of supervision from Storting. They include the following.

Eight radio listening stations, including those mentioned in Finnmark. They listen in on communications between Russian ships, planes and ground stations

and zero in on their location. They also analyze how much traffic there is and "fingerprint" the various transmitters to make it possible to recognize them again and disrupt them.

One or two stations for submarine surveillance. These are part of the Sosus network which is set up to keep track at all times of where the Soviet strategic submarines are located by collecting information from hydrophones on the ocean floor.

Radar Planes

Two facilities to register nuclear explosions. One of them, Norsar, is north of Oslo and is operated as a research institution. It is one of the most sensitive seismic facilities in the world. The other is located in Karasjok in Finnmark and can detect above-ground nuclear explosions.

A ground station in Fauske to receive information from American spy satellites and to listen in on Soviet satellites. North Norway is in an excellent location for transferring information from satellites. The station in Fauske can receive information from a satellite passing over the western Soviet Union 12 minutes before the satellite can be picked up from the United States.

Seven Orion airplanes for surveillance of Soviet ships and submarines. The airplanes are based at Andoya and patrol the Barents Sea as far east as the 45th degree of longitude, between the Kola peninsula and Novaya Zemlya.

Twelve radar stations financed through NATO form part of the Nadge network. This follows NATO's entire eastern boundary and supervises air traffic over Europe as well as far inside the Soviet Union.

AWACS planes, which are airborne radar systems. They are based in West Germany, but make landing stops in Norway.

Enormous quantities of data are collected. Even though Norwegian personnel take part it would be impossible for Norway to process the material without help.

"I find it hard to believe that there is a capacity for this in Norway. It also requires a library of known signals that is built up from other parts of the world," said Nils Petter Gleditsch.

The investigation of the military intelligence service has been carried out by using open sources such as telephone books and by visiting sites without leaving public roads. But the work is not appreciated by the defense forces. Nils Petter Gleditsch and Owen Wilkes were given a 6 months suspended jail sentence and fined 10,000 kronor. Later this spring the publication IKKEVOLD, which revealed the existence of a submarine listening station on Andoya, will be brought to court.

6578
CSO: 3650/141

MILITARY

NORWAY

NUMBER OF SOVIET PLANE INTERCEPTIONS INCREASED

Oslo AFTENPOSTEN in Norwegian 7 Jan 85 p 5

[Article: "Norway Intercepted 471 Soviet Planes in 1984"]

[Text] Norwegian fighter planes took part in 471 interceptions of Soviet planes in the air space over North Norway in 1984. In prior years the number of interceptions has been around 250. With the exception of the cruise missile over Pasvik Valley recently, the armed forces have not recorded violations of Norwegian air space since 1980.

"The high number of interceptions is associated, among other things, with the fact that last year two major Soviet military exercises were held in which many Soviet planes took part," Bodø Air Station Chief Colonel I. Per Utgård reports. "Accordingly, in June we experienced the fact that our F-16 planes were able to intercept and identify 10 to 12 Soviet planes on a training cruise. Several planes could have a rather large number of interceptions per day in connection with these exercises. Another factor is that the F-16 planes have to a considerable extent improved our interception capacity. The F-16 has a much greater range than its predecessor the F-104 Starfighter, and for this reason can fly farther north and farther over the ocean, as well as linger longer at a given position before it is necessary to return to the base because of a fuel shortage," he relates.

Colonel Utgård reports that the majority of interceptions are taking place from Bodø Air Station, but that Bardufoss, Andøya and to a certain extent Banak are also being used as a point of departure for Norwegian fighter planes. He adds that no changes have been observed in the Soviet air operation pattern off the Norwegian coast last year.

Besides, during 1984 the navy received over 100 reports of submarine observations within Norwegian territorial waters. Twenty-five percent more such observations were reported in South Norway than the year before. As far as North Norway is concerned, 25 observations were received, one more than in the record year of 1975.

8985
CSO: 3639/61

MILITARY

SWEDEN

ARMED FORCES COMMANDER TAKES ISSUE WITH PROPOSED DEFENSE BUDGET

Some Inflation Compensation Included

Stockholm SVENSKA DAGBLADET in Swedish 11 Jan 85 p VIII

[Article by Eric Liden: "Defense 25,082 (+2,056) Million--New Gas Masks and Shelters"]

[Text] Minister of Defense: Anders Thunborg

Under Secretary: Per Borg.

Total: 25,082 million kronor (+2,056)

Five largest expense items:

Army: 7,772 million kronor (+547)

Air Force: 7,187 million kronor (+362)

Administration, etc.: 3,876 million kronor (+590)

Navy: 3,355 million kronor (+324)

Civil Defense: 1,247 million kronor (+164)

The four-party agreement which began in March 1984 continued with compensation for inflation and increased rates of exchange adjusted to get a more correct compensation, especially for purchases of material abroad.

- Daily pay for conscripts was increased by 2 kronor to 25 kronor beginning 1 July. Beginning 1 January the deployment compensation was increased by 500 kronor, and is now 2,000 kronor. Family compensation was increased to a maximum of 1,860 kronor for spouse and 855 kronor per child per month. Conscripts' benefit increases cost 60 million kronor per budget year.

- Investment continues in antisubmarine improvements. For the 10 year period 1985-1995 2.5 billion kronor will be invested.

- Commercial pilot training at F5 in Ljungbyhed will be expanded to 25 places from the current 14 to facilitate commercial pilot training.

- The defense is not being compensated for this new mission, nor for the 900 conscripts in excess of the assigned quota which will do their basic training 1985/86 for labor market reasons.

- The civil defense will construct 200,000 new shelter spaces. New protective masks will be purchased. By 1995 every citizen will have his own mask. Oil storage in economic defense will be reduced. Instead resources will be devoted to expand Swedish crisis stores and help business in a crisis situation. The Agency for Psychological Defense will be established on 1 July by combining the Agency for Psychological Defense Readiness and the Information Agency of the Total Defense.

Commander Cites Planning Difficulty

Stockholm DAGENS NYHETER in Swedish 11 Jan 85 p 5

[Article by Sven Svensson: "OB Critical of Budget"]

[Text] "Uncertainty about which defense orders can be placed can have serious consequences for the defense's possibilities to conduct a rational long term program during 1985/86."

This was said by OB [supreme commander of the Swedish Armed Forces] Lennart Ljung in a comment on the defense budget. In the budget the OB criticized significant overplanning and failure to order mine belts against submarines as had been decided.

The government's aim is to create freedom of action before the new defense decision which will take effect beginning 1987. Certain weapon systems such as modernization of tanks have become much more expensive than expected. The government therefore wants a control station until autumn.

The modifications apply to so-called authorization planning for procurement of material. Authorization requests for material orders will take place, but payment will be on the longer term.

The OB's criticism was made known in December of last year, when his personal letter to Defense Minister Anders Thunborg was released to the public. In the personal letter it was claimed that the government's plans conflicted with the four-party agreement on defense. The party leaders have since been briefed on the contents of the defense budget and no sharp criticism has come forth.

Besides the new rules for authorization planning, the OB criticizes now as in December the fact that new tasks are being imposed on the defense without economic compensation. Among other things that applies to the training of 900 new conscripts, increased social benefits for conscripts, etc.

OB summarized his criticism of the government by saying that the proposals of the budget concerning both authorization planning and additional tasks involve significant interference with military planning.

The defense has already been hit by a number of measures which have greatly changed planning assumptions.

The OB believes that an important starting point for the possibility of gradually adapting planning is that the assumptions are reasonably stable during a current defense decision

Scholar: Neutrality Policy Threatened

Stockholm DAGENS NYHETER in Swedish 11 Jan 85 p 7

[Article by Sven Svensson: "Economic Contraction Threatens Security Policy"]

[Text] Economic contraction is a threat to the credibility of Swedish neutrality policy. So wrote Professor Nils Andren in a paper entitled "Security Policy in the Nordic Countries" published by Folk och Forsvar [People and Defense].

A better economic balance is necessary so that pressure on the defense budget will not be so strong that it negatively influences defense strength.

Security policy questions in the five Nordic countries are taken up from partly new viewpoints.

Since the middle of the 1960's the political conflicts in Sweden have also characterized defense policy, wrote Nils Andren. The causes have been party policy, economic and security policy.

The so-called active neutrality policy of the Social Democrats contributed to sharpening party politics. Criticism of the United States war in Vietnam disturbed many Conservatives, for example.

The Conservatives have always had an attitude more friendly to defense, while the Social Democrats in the opposition were more critical of defense.

This caused problems for both the Social Democrats and the Conservatives. When in the government position the Social Democrats could not stand by what they had said in the opposition, and the Conservatives in the government position were forced to show greater economic restraint than they demanded in the opposition.

The Submarine Threat

According to Nils Andren there has in recent years been a rebirth of effort to attain greater unity in security policy. The submarine threat has been something to think about.

Conflict is now more a matter of diplomatic measures such as exchange of visits, than defensive measures. Agreements between party leaders in March of last year are an important indication of unity, said Nils Andren.

The show which was put on at the Social Democratic congress last fall is also important.

For its part, the government considers that the defense agreement of one year ago with the nonsocialist parties has become too expensive and wants to preclude acute liquidity problems again taking charge of the allocation of appropriations. Therefore they are now demonstratively continuing, although it of course depends on the government's authorization, whether the OB can place orders. Criticism of too great "overplanning" should also cause a certain self-examination about how authorization was previously granted.

The tendency toward disobedience by the OB and ambitions in the defense department to control details have brought forth a conflict which normally could have been dealt with within the framework of the planning system and the budget dialogue. By denying the OB a large part of the authority needed to carry out material procurement for the current defense decision, the government has taken over an important part of the mission of the defense leadership. At the same time the government has ordered the OB to undertake new obligations within the existing framework--partly for conscript/social reasons--and to deprioritize other unspecified missions.

That is hardly the right way to solve a conflict. The result will be that the sniping between the OB and the defense department will continue, and that party unity over the defense decision will for the time being break down.

What the government should first do is strengthen the OB's role within the defense leadership by making him an operating "corporate managing director" with clearer responsibilities both upward and downward in the hierarchy. Then it is naturally an important question as to who will be chosen as the new OB when Lennart Ljung's time is up.

Earlier Criticism Disregarded

Stockholm DAGENS NYHETER in Swedish 11 Jan 85 p XI

[Article: "OB Criticism Received No Hearing"]

[Text] OB General Lennart Ljung in a personal letter to Defense Minister Anders Thunborg criticized the 5 December proposal for the defense budget. The OB's criticism has not caused the budget to be changed on any point.

Thunborg wrote: Development and procurement of material can not happen at the pace and extent which the OB recommends. Overplanning will be limited. Orders can not be placed so far in the future that the Riksdag is limited in its action on a 1987 defense decision. I am therefore not now prepared to recommend to the government that the Riksdag grant all the OB's recommended material orders.

According to the budget the OB will receive a new directive for the continued planning which will reflect the 5-year program plan which was delivered to the government in October. New orders can thereafter take place in a supplementary budget with freedom of action preserved in the Riksdag.

Despite everything there are many problems for Swedish security policy. A better economic balance is necessary. It is inevitable to claim Swedish sovereignty and the credibility of Swedish neutrality policy in peacetime. Better readiness and strength is needed in the wartime organization, and when it comes to the vulnerability of the community a number of problems must be solved.

Finland

The section on Finland was written by Kari Mottola, who is the director of the Foreign Policy Institute. It says that Finland's problem is that strategic developments complicate the position of small nations.

Finland is not the subject of military policy speculation. It is Norway which inherited prewar Finland's role as the Nordic country whose territory is of central importance for the great powers. Furthermore Sweden's relations with the great powers have been full of problems, which causes concern in Finland.

In Norway there is fear that the country will be drawn into the United States' nuclear strategy, writes John Kristen Skogan, scientific collaborator in the Foreign Policy Institute.

Fear that Norway will become a domino in an offensive American policy can fuel the old neutrality tradition in Norway.

Greater Powers Urged Commander

Stockholm DAGENS NYHETER in Swedish 13 Jan 85 p 2

[Editorial: "Sniping At Defense"]

[Text] The open conflict between the government and the OB, which was expressed in an angry personal letter from Lennart Ljung and hard wording from the defense minister in the budget bill, ultimately relates to the still not finalized defense decision which takes effect from 1987.

Conflicts of interest are in themselves completely natural: the OB wants to plan on as high a level as possible in order to utilize his resources effectively, while the government wants to retain its political freedom of action and not allow itself to be bound now by new orders for material.

But on both sides the situation is more complicated. The OB, pressed by the service branch chiefs who are competing for resources, prefers to "overplan" more than normal before taking the conflicts within the defense leadership. That also influences the priorities: the navy's demand for four coastal corvettes obviously weighed more heavily than the four-party agreement on the mine belts and mine systems.

Center Will Not Quarrel

Stockholm SVENSKA DAGBLADET in Swedish 17 Jan 85 p 8

[Article: "Center Party Will Not Start Quarrel Over Defense"]

[Text] The Center Party is not considering starting an action against the government for having broken the party leader agreement of March last year on defense. That was said by Gunnar Bjork (C) after a close look at the dispute between the government and the OB over ordering command material.

The dispute between the OB and the government applies primarily to the planning level for the purchase of command material. The Center Party agrees with the OB that the party leader agreement means that planning should take place in accordance with previous principles, but still is not considering starting a quarrel.

Conservatives Accuse Government

Stockholm SVENSKA DAGBLADET in Swedish 18 Jan 85 p 8

[Article by Sven Svensson: "Conservative Defense Motion--Compensate For Inflation"]

[Text] The government has behaved dishonestly toward the defense by knowingly driving inflation higher for 1984. So said the Conservatives in a party motion on the defense.

In the motion the Conservatives request price compensation in the current budget year of 235 million. For next budget year the Conservatives want an extra amount of about 70 million because the defense has been assigned new tasks without economic compensation.

During the spring of 1984 the Riksdag decided on a 1-4 percent compensation limit for inflation for the defense.

When a number of price increases and tax increases were knowingly moved up to 1984 the system became dishonest, according to the Conservatives.

Inflation for 1984 is now 8 instead of 4 percent, which was the government's economic goal. That corresponds to 235 million for the defense, and the Conservatives are demanding it in extra appropriations.

The government and the OB have been at loggerheads on the direction of defense planning. The party leader agreement of March said that the OB would carry out planning in accordance with the principle of changed buying power for the remainder of the period of the defense decision.

The government has now withdrawn certain so-called authorizations concerning ordering of defense material until autumn. The intention is to create freedom of action before the 1987 defense decision.

The reasons are neither reasonable nor relevant, say the Conservatives, who demand that the Riksdag decide that the OB be authorized to place material orders in accordance with his plans.

In the government's bill the OB also gets new tasks and costs. For example the daily pay of conscripts is increased, and 900 more conscripts must be trained. Cost increases can amount to 60 million kronor next budget year. The Conservatives also demand compensation for that.

Antisubmarine measures are to be strengthened before 1987, and the order for 4 coastal corvettes was included in the party leader agreement. The Conservatives want a clear message from the government that this order will be placed. Modification of helicopters for antisubmarine work should also be expedited.

Before the 1987 defense decision additional measures to strengthen the air force should be studied. Three alternatives that should be clarified are further modernization of Draken, prolonged procurement of Viggen or better equipment on JAS Gripen.

Within the army the most qualified units should be modernized.

9287
CSO: 3650/137

MILITARY

SWEDEN

ARMED FORCES CHIEF COMMENTS ON COST CUTTING SUCCESSES

Stockholm SVENSKA DAGBLADET in Swedish 27 Dec 84 p 10

[Article by Erik Liden]

[Text] Routine efficiency measures in the military have already saved more than the politicians called for in 1982. Commander in chief Lennart Ljung stated in his annual report that over 1 billion kronor had been saved from 1982 to 1984, compared to an estimated 672 million kronor.

Temporary personnel reductions account for a large share of the 348 million kronor difference.

At K 1 in Stockholm, which now has been combined with I 1 in Kungsangen, a uniform food policy, combined with machines for handling semifinished goods and modern dishwashers, have eliminated about 10 positions.

"We feed inductees at many locations in Stockholm," Col Hans von Schreeb said. A coordinated purchasing plan and more efficient cafeteria operations are saving large sums of money. "No food lines move faster than those in the military. Each soldier needs only a few seconds at the serving table. It is not like a Christmas smorgasbord."

K 1 is also demolishing its barracks on Lidingovagen and in the Frosunda region to reduce maintenance costs. Materiel is being used more efficiently and training aids, such as vehicles, are being used more effectively than before.

"It is unfortunate that, in the midst of this efficiency fever, some incorrect decisions are being made. When K 1 moves to Kungsangen, our service center will be closed. This means that all military personnel in Stockholm, 2,000 to 3,000 officers, must travel 70 kilometers round-trip to the Royal Svea Life Guards to purchase and exchange uniforms, for example. This certainly is not efficient. We hope there will be a change."

9336
CSO: 3650/111

MILITARY

SWEDEN

LEGISLATION SEEN NEEDED FOR HUNTING INTRUDING SUBMARINES

Stockholm SVENSKA DAGBLADET in Swedish 31 Dec 84 p 6

[Article by Carl-Ake Nilsson]

[Text] Karlskrona--During the most recent submarine hunt near Karlskrona, authorities involved in the total defense had no suitable legislation on which to base their decisions. This means that there is a gap in the preparedness of our total defense in the transition between peace and war.

This was indicated by a report from the total defense in Blekinge, the military classification of which was lifted for SVENSKA DAGBLADET.

Legislation exists that is designed to help various authorities act rapidly and effectively in the event of war. This legislation may be seen as dormant, but it can be activated quickly by governmental decree.

During the submarine hunt near Karlskrona, the civilian and military authorities had to fight against a major handicap. The situation was warlike, but since it was formally a time of peace, no legal recourse was available for effective action. Leaders resorted to improvisation and decisions were made when the individual decision-maker had no formal right to make the decision. As a result, a study group was formed with representatives from the military, the county police, SAPO (Security Police), the County Administration, the Municipality of Karlskrona, and the Blekinge County Council.

The group began its work before the submarine hunt was over. After just 14 days of work, the group reported a number of deficiencies to the chief of the Southern Military Command. One such deficiency was uncertainty concerning which section of the law should be invoked to block off the region in which the submarine hunt was underway.

The Protective Law of 1940 could have been used by the military, but since no one knew whether the fishermen would be compensated for their lost income if this law were used, they were forced to implement civil legislation that sets limitations on fishing rights.

Could Not Shoot

The group also pointed out that the police department was the primary agency with the right to use weapons against divers who might come ashore. For military personnel to use their handguns, it was necessary for them to be in personal danger or for someone to attempt sabotage against objects they were guarding. This means that the soldiers who reported seeing a fleeing frogman had no right to fire on him. This situation was corrected, however, when the commander in chief decided that the IFKN proclamation would be invoked, which means that frogmen within a region that has been blocked off would be viewed as military personnel from a foreign power with belligerent intentions. These are the same conditions that apply to the right to fire during a war.

Act Of God

How insurance companies would react in case of damage to civilians and the property of civilian authorities also caused headaches. There was a clear risk that the insurance companies would claim that an act of God prevented the military from giving due consideration to the property of civilians during the submarine hunt and when weapons were used. Another problem mentioned was that the municipalities and county councils had not planned for a situation such as the one that arose in Karlskrona. The decision-making processes of the municipalities and county councils are based on political decisions made by the municipal councils and administrative committees. Difficulties in reaching decision makers and initiating the decision-making process outside normal office hours caused problems.

Unclear regulations concerning the right to enter storage depots to increase preparedness, for example by removing medical supplies, created problems at the Blekinge County Council. The decision was made only after permission was granted by the Civil Administration of the Armed Forces.

In order to improve the ability of regional authorities to act in the gray area between peace and war, the study group proposed that an investigation take place to simplify and improve existing legislation.

This is now being done by the Defense Ministry. The study group also proposed that lists be made of people designated by the municipalities and county councils to make decisions when the normal decision-making process breaks down.

9336
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MILITARY

SWEDEN

DEFENSE STAFF CHIEF: SWEDEN WILL ASSERT NEUTRALITY EVEN IN WAR

Copenhagen BERLINGSKE TIDENDE in Danish 22 Jan 85 p 13

[Article by Nils Eric Boesgaard: "In War Sweden Has No Allies"]

[Text] Neutrality is a question of a credible defense, said the chief of the Swedish Defense Staff to BERLINGSKE TIDENDE. Tomorrow Defense Minister Anders Thunberg will describe the Palme Government's perception of the neutrality policy.

"NATO cruise missiles will immediately be shot down if in a wartime situation they come in over Swedish territory on their way to the Soviet Union," said the chief of the Swedish Defense Staff, Vice Admiral Bror Stefenson.

"Sweden is culturally and economically tied to the West, but in a third world war Sweden has no friends, or enemies for that matter, and Swedish neutrality will, with tooth and nail, go against any western or eastern utilization of Swedish territory," he added during a conversation with BERLINGSKE TIDENDE in Stockholm.

Swedish defense circles are very careful in expressing themselves about Sweden's ties to the West. In that area NATO is less delicate, and in the western alliance they do not deny that a credible Swedish neutrality defense is of the greatest importance, primarily for the defense of the North Cape, but also for the protection of Denmark's eastern flank.

In Sweden today there are 45 airfields with runways of over 1700 meters. If they were available to Soviet MIG Foxbats and SU-19 Fencers these aircraft would be able to reach targets far out in the Atlantic and cause great damage to NATO's supply lines.

Opposing these bases, of which many are in the far north, NATO has only three airfields in North Norway, and it is no secret that Soviet military planning for warfare on the North Cape also includes Sweden. Nonetheless the Swedish government and the Swedish defense leadership inflexibly place confidence in the almost 200-year-old neutrality policy, which in 1864 caused them to run

from their promises to help Denmark, and which in 1940 they grossly violated when they allowed German troops to pass through the country on the way to Norway.

No Military Agreements

"In the first place we think it is very important not to have military agreements with either side. That means that we are entirely responsible for the defense of Sweden," said the vice admiral.

"In the second place we believe that now we have decided to be neutral, we must have a defense which is not dependent on help from abroad, and is sufficiently strong to really maintain neutrality," said the chief of the defense staff, and he continued:

"Obviously it is not possible for us to produce all of our wartime requirements, but when we buy something abroad there is always talk of completed deals, so that we do not become dependent on foreign nations. Everyone knows that we buy material in the West, and we do when it is advantageous. That does not mean that we avoid other dealers."

Another important aspect of neutrality is that it is an advantage in a number of military circumstances. When it comes to modern weapons, especially those which are based on remote control such as missiles and airdefense missiles, it is rather easy when there are two main opponents, to protect against both of them. We know that NATO and the Warsaw Pact always watch developments in weapon technology and take the necessary countermeasures. We in Sweden take another position. We call it "the Swedish profile." Our weapon systems are different. Therefore we believe that they have a greater chance of functioning against the weapons of both major blocks. That is one of the advantages of neutrality. The other part is that we are excluded from cooperation with other countries, and must bear the expense of all the technological research," said Bror Stefenson.

Navy Was Neglected

"During the end of the fifties the Swedish defense underwent an important readjustment. It was seen that it had become too expensive to build cruisers and destroyers and at the same time create a strong airdefense. The choice was made to strengthen air defense, and let the navy be satisfied with fewer ships.

"The result has been that the Swedish Navy today is satisfactory qualitatively, but so-so quantitatively. In exchange we have a strong air force. I am convinced that military experts from East and West who frequently travel in the Baltic will recognize that the Swedish Air Force is a factor which must be taken into consideration in peacetime as well as war."

The chief of staff concedes that it is expensive to maintain a neutrality defense like that of Sweden. In recent years the problems have been especially

conspicuous in connection with the production of the new aircraft JAS (the initials stand for the Swedish words for fighter, attack and reconnaissance) which in the 1990's will replace the Viggen.

"There are two economic aspects in connection with the construction and production of a new aircraft. There is partly the purely Swedish, which includes construction and production, and then the foreign, which includes the purchase of components abroad which make up between 20 and 25 percent of the price. What especially concerns us are the price increases due to the high dollar rate of exchange. But even the price increases which have taken place come far from being comparable to the price the new aircraft would have reached if we had brought them abroad.

"The politicians understand that a neutrality defense must cost more than others. But we obviously have economic problems also, and there is pressure on the defense to cut expenses," he added.

Financial difficulties of the Swedish defense are in many ways different from those we recognize in Denmark, where practically all defense material must be purchased abroad. It is undoubtedly easier to get the politicians to appropriate the necessary funds, knowing that the lion's share goes into Swedish pockets.

"When the Swedish defense budget is cut, the politicians immediately say, 'Good, but what will happen at Bofors, Saab and Karlskrona?' In the defense we do not believe that this tendency should be utilized. We do not believe that it is the number of employees at a workplace which should determine what defense Sweden will have. We believe that we should buy the cheapest and best," said Bror Stefenson.

Submarine Problems

The vice admiral admits that in peacetime there is a hole in the Swedish anti-submarine defense:

"It is something which concerns us greatly, mostly the question of how much we should invest in this special branch of defense, because it is clear that the money which we use in a given place must be taken from somewhere else in the defense budget."

He was directly asked about his view of the opposition by certain Danish opposition politicians to procurement of submarines, which they disingenuously claim are out of date. The Swedish vice admiral said, "It is nonetheless true that in recent years submarines have attained greater importance in general and specifically in the Baltic. That is true primarily because the remote controlled war above the surface has increased the pressure against surface ships.

"A country which has limited resources has a harder time keeping up with a remote control missile war which takes place up in the air, than it has in

keeping up under water. The possibilities of conducting submarine warfare are at least as important as before. There still is no weapon which will make submarine warfare in the Baltic impossible--more likely the opposite. Submarines are becoming more and more silent, and at the same time are getting weapons with longer and longer range. Torpedoes today can aim themselves like missiles in the air. Once fired by the submarine they can be forgotten. They will find their target at long range."

Does Not Believe In a Nuclear Free Zone

Vice Admiral Stefenson does not believe in Norden as a nuclear weapon free zone. "I personally believe that nuclear weapons are steadily becoming less and less useable for military purposes, and that they are already primarily political weapons. I believe that one should do everything to reduce the risk of a nuclear war. As a military man I am skeptical that anyone would respect such a zone. The Nordic countries are of course already a nuclear weapon free zone. It is obviously not unthinkable that an agreement could lead to a thaw in the negotiations, but from a purely military standpoint I do not believe that it is important.

"Sweden is not in doubt for a moment about where the most serious threat to the country's neutrality lies. We do not doubt that circumstances and our geographic location mean that the threat is greater from the East than from the West. One can convince himself of that by a glance at the map. But we do not hesitate to state that we will enforce Sweden's neutrality, and that means that we will maintain our neutrality in relation to warring powers. It is very important that neither side believe that the other has permission to use Swedish territory. Therefore, and this is very important, we will consider it necessary to shoot down warring powers' aircraft and missiles to demonstrate that nobody can freely violate Swedish territory."

Swedish Hedgehog Position

"In war and in crisis Sweden will assume a hedgehog position, and there should never be any doubt of that. For example, that would also apply to Swedish territorial waters in the Oresund. That is Swedish waters, and we will not tolerate the mining of it. The mines would immediately be removed.

"And so one can obviously speculate about what will happen if a war is forced upon Sweden. That is an issue which must be decided at the time. Of course we are not stupid. We know that we cannot fight against everybody at once, but the side we go with will depend entirely on who has attacked us.

"Sweden's neutrality is of decisive importance for Nordic stability, also including Finland's special position in relation to the Soviet Union. Sweden is satisfied with Finland's situation. Changes in Sweden's neutrality would affect Finland's circumstance.

"We are also satisfied with the fact that a strong Swedish defense is important for the Finnish situation. If the outside world believes that Sweden

can defend its neutrality, that will act as a guarantee of Finland's continued independence. We recognize that Finland's situation is extremely sensitive. But they have managed well. They are the only nation in Europe which has lost a war with the Soviet Union but is nonetheless still free. That is due not alone to skillful leadership and an effective Finnish defense, but also the neutrality of neighboring Sweden.

"That is something that is apparently not understood in Denmark. When I frequently speak with Danish students at the Swedish Defense Academy I put heavy emphasis on explaining to them about the special Finnish circumstance.

"I understand that in Denmark, where you are more closely tied to Central Europe, you do not recognize the importance that this circumstance has for stability in the northern tier. But it is one of many reasons for Sweden's neutrality," said Vice Admiral Bror Stefenson.

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MILITARY

SWEDEN

MILITARY PREPAREDNESS DOWN SIGNIFICANTLY DURING HOLIDAYS

Stockholm SVENSKA DAGBLADET in Swedish 13 Dec 84 p 6

[Article by Erik Liden]

[Text] Swedish military preparedness is low during this New Year's holiday. For financial reasons, only inductees and a few officers are on duty. All aviation activity except incident preparedness has been discontinued from 21 December to 7 January. All inductees and officers are on leave for that same period.

"Everyone knows that around-the-clock preparedness during holidays such as Christmas and New Year is expensive. Experience from the prolonged submarine hunt near Karlskrona in February and March, where the incident agreement was applied for the first time, was not all good," said H-G Wessberg at the information section of the Defense Staff.

As SVENSKA DAGBLADET reported previously, the submarine hunt cost 15 to 20 million kronor in additional wages. Monthly incomes for officers up to 60,000 kronor were possible for 30 days of incident bonuses.

"The commander in chief is now following the government's directive of 29 November and is conducting a general review of how inductees could be utilized more effectively in the incident preparedness system," Wessberg said.

Short Notice

On a voluntary basis, 5,000 inductees will be called up for a maximum duty of 10 days twice each year, with the possibility of 3 days of extra training. The military authority to which the inductee is assigned can require that inductee to report any absence of more than 24 hours from his normal address. A sum of 200 kronor is paid for each 10-day period for which this duty to report is required.

The inductee can be required to report on extremely short notice and he must appear immediately. This rules out the possibility of trips abroad.

"Once this system is in place, preparedness will be increased considerably," Wessberg said. These inductees, in many cases, will maintain a higher level

of preparedness than regular employees, which cost more to be maintained at a high degree of preparedness.

During the holiday period of 21 December to 7 January, the air force command centers with radar stations and other facilities and the Defense Radio Institute with numerous listening stations throughout the country are at the highest level of preparedness. Their modern radar facilities can "see" far into the Soviet Union and Poland under favorable weather conditions. Even during the holidays, these radar pictures are being analyzed by intelligence experts at the Defense Staff and at the regional military command staffs.

During the Christmas holidays, the air force has maintained incidence preparedness at the F 17 base in Ronneby and, temporarily, on Gotland. Surveillance preparedness has been in effect in Ljungbyhed and at those air force wings that have the surveillance modification of the Viggen, i.e. F 21 in Lulea, F 13 in Norrkoping, and at F 17.

Baltic Sea

The southern part of the Baltic Sea is kept under daily surveillance by so-called reconnaissance sweeps along the East German, Polish, and Soviet boundaries. The SK 60 planes at F 5 in Ljungbyhed and naval patrol and scout boats are also used for this purpose. Several ships are stationed in the Falsterbo Channel.

"The situation around us, i.e. around the Baltic Sea, is quiet for the moment. There have been no sensational reports of submarine sightings in recent months. But this does not mean that we will drop our guard. Just like last summer, we can call in pilots, ship crews, and army units on extremely short notice," Wessberg said.

During the holidays, the army regiments and schools have a maximum of 20 inductees per unit for fire and incident preparedness. The navy has a few ships on duty, like last summer when SVENSKA DAGBLADET revealed that there was only one ship on emergency service along the entire Norrland coast from Harnosand to Haparanda.

Officers are on duty at all agencies and they can be reinforced rapidly, for example at the Defense Staff.

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MILITARY

SWEDEN

ARMED FORCES TOLD TO CUT COSTS

Stockholm SVENSKA DAGBLADET in Swedish 27 Dec 84 p 10

[Article by Erik Liden]

[Text] Army units must save over 500 million kronor by 1987. The National Institute of Defense Organization and Management, FRI, has now identified budget items that, with a good margin, will surpass the budget cuts demanded in the Defense Resolution of 1982.

Now the other branches of the service must follow the army's example and find an additional 300 to 400 million kronor to cut, preferably by 1987 or 1988.

"We have experienced an extremely positive response from regimental chiefs and other responsible leaders in the army organization," said project leader Col Bo Forsgren. "By reducing the number of our apartments, using better insulation, making more efficient use of materiel, coordinating purchases, using semifinished goods to feed employees and inductees, and by taking other steps, we can reach the 0.5 billion goal by 1987. Our training program also will be affected."

Valuable Assistance

In this extensive project, FRI has received valuable assistance from the Defense Materiel Command, FMV, in Karlstad and the Fortifications Administration, FortF, in Eskilstuna.

"The increased strength of the dollar and the government's higher goals for cuts in the defense budget have been seen as a challenge that all the chiefs are doing their best to meet," Colonel Forsgren said.

The so-called unit analysis has affected every agency within the army. Great possibilities for savings have been found in certain areas, while savings have been much less significant in areas where major cuts already have been made.

Reduced Need

"These reviews reduce the need to use up excess appropriations by purchasing such items as skis and overalls. Detailed purchasing plans will replace impulse purchasing," Forsgren said.

Unlike the Defense Resolution of 1982, FRI does not propose dismantling more units. They will remain in place until the army's new training schedule, with three waves of inductees trained in 2 calendar years, has been analyzed by the army chief and the commander in chief, in consultation with the Defense Ministry.

Billions Freed Up

Additional billions may be freed up by dismantling regiments in the early 1990's. At present, the government would like to avoid making the elimination of regiments into a campaign issue.

For the politicians, routine efficiency is a more human phrase that can help motivate employees. From 1972, when reduced defense budgets forced the military to make serious cuts, to 1992 one fourth of the workers employed by the military will have become superfluous.

In the early 1970's there were 52,000 employees. By the early 1990's, this figure will have dropped to 39,000 or lower.

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ECONOMIC

FEDERAL REPUBLIC OF GERMANY

CHEMICAL INDUSTRY PROFITS SPUR RECORD INVESTMENTS

Duesseldorf WIRTSCHAFTSWOCHE in German 14 Dec 84 pp 10, 11

[Unattributed article: "Looking Ahead to New Records"]

[Text] The chemical industry is in the midst of a boom. It is getting ready for the future by making record investments.

The profit picture in the German chemical industry has rarely been better. For 1984, the three successor firms to IG Farben BASF, Bayer and Hoechst alone are looking to profits before taxes of some DM 8.5 billion worldwide as compared to DM 5.8 billion a year ago.

These high profits leave room for dividends and jobs. The large chemical firms will probably be paying out DM 9 per share more this year to the delight of their stockholders.

"We have at long last succeeded in turning things around," Christian Ruppert of the Hesse chemical industry employers association notes with a sigh a relief. Ruppert, the chairman of the board of Cassella AG, a Hoechst subsidiary, says there are complex relationships between company performance, creation of capital and jobs which have turned around in favor of jobs. Since profits in the chemical industry climbed both in 1983 and in 1984 to a greater extent than personnel costs, the firms feel they can hire more people. Profits of 13 Hesse chemical firms will rise by more than seven percent in 1984 and countrywide the picture is not much different. As a consequence, the personnel cost share of profits will decline by a good two percent to about 78 percent.

Nonetheless, the labor force in Hesse has increased by one-half percent. Countrywide, the trend is even more marked. Karl Molitor, the general manager of the national association of chemical industry employers reports that the industry hired 10,000 additional employees during the first 9 months of 1984. It is already clear today that this positive trend will continue next year.

Business in the chemical industry continues to be very good. Sales in both the wholesale and export field are excellent and in addition, prices have gone up. Both of these factors have led to a higher-than-average profit picture which permits the firms to spend billions on investment. "In 1984, the chemical industry of the FRG made investments amounting to about DM 7 billion," says Heinz-Gerhard Franck, the president of the chemical industry association. "There has been an increase of investments for expansion as against investments to promote rationalization or provide replacement of equipment."

But domestic investment is only a part of the huge sums the German chemical industry has been investing worldwide. The three biggest firms alone—BASF, Bayer and Hoechst—invested almost DM 6 billion in 1984. In addition, the 2,000 or so other chemical firms have made investments running into the billions as well. Among the smaller firms, Boehringer Ingelheim is spending DM 280 million on plant expansion—the same amount as Schering. Ruetgers and Degussa have come up with investment budgets of some DM 150 million each and the Berlin branch of Schering expects to come up with a new investment record in 1985 because the steadily rising demand for pharmaceuticals and pesticides has created a need for plant expansion.

New records will also be set by the big chemical producers next year. The Hoechst AG board approved the biggest investment budget in the company's history last fall: DM 2.41 billion. "This investment budget," Rolf Sammet, the firm's board chairman says, "includes major projects for the construction of new production facilities and new processes." Among these is a large facility as part of the Hoechst plant for the production of human insulin with the aid of bacteria altered through gene technology. "We have budgeted DM 50 million for this project," Sammet says. Investments at the Wiesbaden plant will raise polypropylene foil production from 20,000 to 30,000 tons a year at a cost of DM 65 million. But the focus of future investments by Hoechst will not only be on the production of foil and pharmaceuticals but also on technical gases at Messer Griesheim and on the large area of synthetic fibers. This will also include an expansion of activities in the technical or non-textile fiber application field.

The DM 2.1 billion investment budget approved by BASF AG is also earmarked primarily for the refinement sector. The chemical giant, which is still deeply involved in the raw materials business, is switching over on a continuing basis to higher-grade refining processes.

Bayer has long since been moving in this direction. Hermann-Josef Strenger, the new boss at Bayer, has had his planning staff concentrate on modernization over the next 2 years. DM 2 billion are earmarked in both 1985 and 1986 for renovation, rationalization and expansion of facilities. "We will continue to make investments in the future with unflagging energy in order to increase productivity and to remain competitive both as to costs and prices," Strenger says confidently.

Competitiveness is something Bayer subsidiary EC Erdölchemie [Petrochemicals] Ltd has to prove time and again. After all, the firm is still faced with the realities of overproduction in petrochemicals in Europe. Now that the large petrochemical plants in Saudi Arabia and Kuwait have begun operations, supplies of the ethylene products manufactured there will increase on the export markets—particularly in Europe—starting in 1985. The petrochemical industry will therefore not be able to get around a certain amount of disinvestment.

Bayer has already been forced to disinvest in Schelde Chemie Brunsbüttel Ltd. Even before the anthraquinone facility there went into operation it was closed down and junked—because it did not work. "In taking entrepreneurial risks," Strenger says, "one must also factor in the failures." But given the present king-size profits of about DM 3 billion before taxes, Bayer can easily handle the losses incurred in this project.

But it was Boehringer Ingelheim which was hit with the comparatively largest disinvestment situation in the chemical industry in some time when it was forced to close down its Lindau plant in Hamburg this year. Tearing down the factory buildings and cleaning up the dioxin residues on the plant site will cost the firm about one year's profits, according to Boehringer's treasurer Folkert Bellstedt—which should amount to at least DM 300 million.

But that will not put too much of a damper on the ability of this pharmaceuticals group to expand. Both this year and next, Boehringer will be spending more on investment than ever before. As in the case of the other large chemical concerns, Boehringer's large foreign investments are the result of huge exports.

The chemical industry is one of the largest hard currency earners in the EEC. During the first 9 months of 1984, the industry's exports climbed a very respectable 19.4 percent, amounting to DM 53.2 billion. The export boom benefits from the strength of the dollar as well as the Japanese yen. According to Molitor, the export picture also benefitted from the strong economic recovery in the United States and the economic upturn in customer countries such as Great Britain and Italy. Chemical sales from indigenous production (not including other sales) reached an export quota of more than 50 percent during the course of 1984. "We are living very comfortably with the high dollar exchange rate," says Bayer's treasurer Franz-Josef Weitkötter.

But the generally gratifying rise in the export trade should not gloss over the fact that serious risks still exist along the way toward more differentiation in foreign exports. "Trade deficits and large debts still have an adverse effect on our exports to the developing countries," chemical industry association president Franck warns. "In our trade with the OPEC countries, the sharp decline in oil revenues has also had an effect."

With regard to 1984, which is just coming to an end, Franck's warning words are really not called for. The chemical industry of the FRG could hardly have produced any more than it did. Overall sales will clearly exceed the projected figure of DM 140 billion. Net turnover yield is climbing toward three percent.

To be sure, the German chemical industry will be able to secure its competitive position internationally in the future only if it continues to make major investments. "Only the production of high-profit goods on the basis of a well-functioning infrastructure makes successful competition possible when one is faced with other producers who can turn to cheap raw materials and energy sources while paying low wages," Franck says.

Major German Chemical Producers Business Trends 1983-84

Konzern	Umsatz (in Millionen Mark)		Veränderung (gegenüber Vorjahr in Prozent)	Auslandsanteil (in Prozent vom Gesamtumsatz)		Investitionen (in Millionen Mark)		Veränderung (gegenüber Vorjahr in Prozent)	Beschäftigte		Veränderung (gegenüber Vorjahr in Prozent)
	1983*)	1984*)		1983*)	1984*)	1983	1984		1983	1984	
Bayer ²⁾	27 687	32 425	+17,1	76	79	1800	1900	+5	174 760	174 000	-0,4
Hoechst ¹⁾	27 355	30 815	+12,6	74	75	1870	2000	+7	179 850	180 000	+0,1
BASF ¹⁾	25 831	30 073	+16,4	58	58	1630	2000	+20	115 800	115 776	0
Degussa ¹⁾	3 367 ¹⁾	3 874 ¹⁾	+15,3	-	-	531	674	+9	12 873	13 474	+2,4
Schering ¹⁾	3 133	3 609	+15,2	80	81	2128	2800	+32	23 041	23 099	+0,3
Boehringer ²⁾	2 818	3 159	+12,5	76	77	2628	2800	+7	22 597	22 895	+1,3
Rütgers ¹⁾	2 115	2 596	+23,0	31	35	1102	1402	+27	11 305	11 583	+2,5

*) jeweils vom 1. 1.-30. 9.; ¹⁾ Welt; ²⁾ Gruppe; ¹⁾ Chemie- und Pharmabereich; gesamtes Geschäftsjahr zum 30. 9.; ²⁾ Gesamtkonzern

Wirtschaft
Welt

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Key:

1. Company name	6. Number of employees
2. Turnover in DM millions	7. For period 1 Jan-30 Sep
3. Percentage change over previous year	8. Worldwide
4. Export share of total turnover	9. Group
5. Investments in DM millions	10. Chemicals, pharmaceuticals for business year up to 30 Sep
	11. Entire business concern

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C50: 3620/203

ECONOMIC

PORUGAL

DETAILS ON 1985 BUDGET: LARGEST DEFICIT EVER

Lisbon TEMPO in Portuguese 11-17 Jan 85 pp I-III

[Text] The projected budget deficit for 1985 (335.7 million contos) exceeds by 81.8 million contos the negative balance in the revised budget for last year (an increase of 32.2 percent).

Budget revenues will total 737.7 million contos, while expenditures should reach 1,073.4 million contos.

The projected deficit in the state budget will represent 9.5 percent of the GDP. In 1984, it amounted to 8.5 percent.

Overall expenditures net of charges related to the public debt (interest and amortization) are up 22 percent over the 1984 revised budget, reflecting a decline in real terms.

Interest on the public debt should increase by over 37.5 percent to a total of 273 million contos, thus absorbing 40 percent of the estimated tax revenues.

The largest increases are found in personnel expenditures and transfers to public agencies--particularly the allocations to the National Health Service and the Social Security Administration.

The GDP will rise by close to 3 percent in 1985, reflecting the "moderate recovery in the level of economic activity."

Inflation should total 22 percent in average terms and 20 percent between December 1984 and December 1985.

The deficit on current account will approach \$1 billion this year, compared to an estimated \$700 million for 1984.

Public consumption (up 3 percent) will increase faster than private consumption (0.8 percent). the PRFE had forecast 1 percent and 0 percent respectively.

The government intends to "avoid... another drop in real wages" in 1985.

1. As far as management of the overall economic policy is concerned, 1985 marks the start of a tricky transitional period that is to ensure controlled progress with the financial stabilization program by creating the conditions for a moderate recovery in the level of production activity and the implementation of funding measures aimed at promoting structural modernization.

The priority objectives, conditions, and policy measures reflecting the above-mentioned intention are expressed in specific form in the bills concerning the state budget and the major options in the plan for 1985. The government submitted those bills to the Assembly of the Republic today.

2. The financial stabilization policy made it possible throughout 1983 and 1984 to bring about a very definite reduction in the deficit on current account, which dropped from over \$3.2 billion in 1982 to a level estimated at \$700 million in 1984. This represents a drop of close to 450 percent during the period in question.

The above-mentioned development provided more room for maneuver in formulating basic economic guidelines for 1985 by significantly alleviating the external financial pressure which had led, in June 1983, to formulation of the Emergency Short-Term Management Program.

Under those conditions, the economic policy will involve two priority objectives in 1985:

a) A moderate recovery in the level of economic activity that is to result in growth of close to 3 percent in the GDP.

The growth in the GDP will result from the following factors:

First, a slight recovery in private consumption (+0.8 percent).

Second, a rise in public consumption amounting to 3 percent.

Third, a rise of 2.5 percent in gross fixed capital formation, with the most significant impact being felt in the private sector.

Fourth, a definite recovery in the level of inventories.

Reactivation of the pace of investment will occur in association with the creation of more favorable conditions. This involves in particular the introduction of a new selective system of incentives aimed at reorganization, innovation, and the modernization of industry's technological base with a view to meeting the requirements and conditions imposed by upcoming membership in the European Communities.

Summary of State Budget (in thousands of contos)

Item	1984			1985
	Original	Revised ⁴	Proposed	1985
Current revenue ¹	608,667	574,437	722,395	
Current expenditures	681,087	700,647	924,692	
Interest	(219,510)	(198,526)	(273,093)	
Other current expenditures	(461,577)	(502,121)	(651,599)	
Current deficit	(72,420)	(126,210)	(202,297)	
Actual capital revenues ²	17,189	17,189	15,348	
Actual capital expenditures ³	121,431	144,883	148,744	
Budget deficit	(176,662)	(253,904)	(335,693)	

1. Includes refunds.
2. Excluding the use of proceeds from loan issues.
3. Excluding debt amortization charges.
4. According to the budget amendment as provided by Law No 34/84 dated 5 December and including the reduced allocations as provided by article 6 of Decree-Law No 69/84 as well as the transfer of an appropriation to debt amortization.

Financing the Deficit (in millions of contos)

Item	1984			1985
	Original budget	Revised budget	Proposed	1985
Budget deficit	176.6	253.9	335.7	
Debt amortization	98.8	103.8	131.2	
Total public debt issue	275.4	357.7	466.9	

Financing

Domestic borrowing:			
FIP treasury bonds	15.0	15.0	24.0
3-year treasury bonds	20.0	20.0	30.0
Borrowings from the			
Bank of Portugal	120.0	202.0	220.0
Short-term treasury bonds	20.0	20.0	20.0
Savings certificates	2.4	2.7	3.6
Total	177.4	259.7	297.6
Foreign credit	98.0	98.0	169.3
Grand total	275.4	357.7	466.9

b) A slowing of the rate of inflation, which is to show an annual average of 22 percent and a rise of 20 percent between December 1984 and December 1985. Sticking to this objective is obviously crucial so that we can look forward seriously to a possible slowing of the pace at which the escudo is being devalued and to lower interest rates.

3. Achievement of the above-mentioned priority objectives and, as a consequence, the formulation of short-term policies for 1985 will depend on three basic conditions:

a) The first has to do with the balance of payments and management of its external component, which will continue to constitute the chief constraint on economic growth for a long time to come. For example, the deficit on current account is expected to approach \$1 billion in the course of this year; this objective is aimed at harmonizing a cautious recovery in domestic demand--implicit in the growth of the GDP--with the need to control the growth of foreign debt and avoid any danger that our accounts with others will get out of control, since that would create new emergency situations in connection with foreign exchange like those occurring in 1978 and 1983.

The projected pattern of development in the foreign deficit is based on the expectation that growth in the volume of exports and imports of goods and services will amount to 7.5 percent and 8 percent respectively.

b) The second condition concerns financing of the Enlarged Public Sector [SPAL], control of which is of prime importance in order to increase the efficiency of resource allocation in the overall economic system. As a followup to work begun in 1984, appropriate mechanisms for closely monitoring the situation throughout the year will be developed, the objective being to keep the SPAL's financing requirements from exceeding the previously established ceiling, taking into account the financial restructuring requirements of a number of state-owned enterprises.

c) The third condition has to do with the behavior of real wages. The government intends to prevent the policy for managing domestic demand in 1985 from leading to another drop in that indicator.

4. The state budget for 1985 also reflects the transitional nature of the period that the Portuguese economy is now going to experience. As has been true over the past few years, it points up the factors for rigidity which affect overall public expenditures and which, for reasons of an economic, political, and administrative nature, it has not yet been possible to attack in the systematic manner required.

The government bill includes a few immediate measures intended to rationalize a sizable number of current administrative expenditures and shows a clear effort at adjustment in the area of taxes. That effort includes the first steps toward a thoroughgoing and gradual reform with the introduction, beginning in July, of the value-added tax.

What Each Ministry Receives (in 1,000's of contos)

Item	1983	1984		1985
	Actual	Original	Revised	Proposed
General charges	5,147	5,757	7,407	4,770
National Defense	62,116	68,624	72,152	86,124
Finance and Planning of which:	<u>339,057</u>	<u>464,902</u>	<u>453,099</u>	<u>616,801</u>
Public debt charges	211,087	320,303	304,320	405,806
Pensions and retirement	23,291	23,392	26,400	29,773
General administrative expenditures	86,274	100,718	98,001	152,669
Own expenditures	18,405	20,489	24,378	28,553
Internal Administration of which:	<u>67,308</u>	<u>73,606</u>	<u>77,512</u>	<u>93,962</u>
Transfers to local governments	47,146	52,047	53,022	66,100
Own expenditures	20,162	21,559	24,490	27,862
Justice	4,744	4,597	5,524	6,200
Foreign Affairs	6,741	7,733	9,667	10,001
Agriculture	9,057	7,257	8,281	9,000
Industry and Energy	2,338	3,376	3,639	6,901
Commerce and Tourism	3,730	4,602	5,235	7,700
Labor and Social Security of which:	<u>13,614</u>	<u>15,988</u>	<u>32,852</u>	<u>37,301</u>
Transfers to social security	11,235	14,093	30,693	35,001
Own expenditures	2,379	1,895	2,159	2,300
Education	87,475	91,372	106,467	115,907
Health of which:	<u>70,908</u>	<u>79,445</u>	<u>94,411</u>	<u>113,356</u>
Transfers to National Health Service	70,433	78,927	93,867	112,100
Own expenditures	475	518	544	1,256
Social area of which:	<u>9,274</u>	<u>8,987</u>	<u>11,633</u>	<u>15,080</u>
Transportation and Communication	4,178	4,246	5,603	5,500
Public Works, Housing, Town Planning	5,096	4,741	6,030	9,580
Quality of Life	728	950	1,105	1,400
Culture	1,799	2,045	2,217	2,550
Sea	819	1,085	1,235	1,400
Plan investments	<u>61,206</u>	<u>61,000</u>	<u>66,454</u>	<u>76,106</u>
Total	<u>746,061</u>	<u>901,326</u>	<u>958,890</u>	<u>1,204,617</u>
Transitory accounts	<u>55,810</u>	<u>74,887</u>	<u>90,271</u>	<u>109,902</u>
Grand total	<u>801,871</u>	<u>976,213</u>	<u>1,049,161</u>	<u>1,314,519</u>

5. Budgeted revenues (737.7 million contos) and expenditures* (1,073.4 million contos) will result in a budget deficit of 335.7 million contos, exceeding by 81.8 million contos (+32.2 percent) the negative balance in the revised budget for last year.

Measured in terms of the GDP, the projected deficit in the state budget will rise to 9.5 percent, compared to 8.5 percent in 1984. A similar development will be seen in the deficit for the administrative public sector (consisting of the state budget plus autonomous funds and departments, quasi-independent agencies, and social security), which will amount to 10 percent of the GDP (9 percent in 1984).

To situate the analysis of those figures correctly, however, it is necessary to consider the impact of the increase in public debt charges, which constitute the chief obstacle to containment of the budget deficit and one of the most significant elements disrupting the management of public finance as a whole.

In fact, in the government bill for 1985, overall charges in connection with the public debt (interest and amortization) are rising by about 34 percent to a total of 405.8 million contos (corresponding to 55 percent of total revenues and 33.7 percent of expenditures).

With those charges deducted, the increase in overall expenditures over the revised budget for 1984 comes to 22 percent, reflecting a decrease in real terms if we take an average annual inflation rate of 30 percent in 1984 as our reference point.

The portion related to debt interest almost doubled between 1981 and 1983, and in 1984 it rose by 40 percent. For 1985, provision is made for a rise of 74.6 million contos (up 37.5 percent), with interest totaling 273 million contos. That amount will absorb 40 percent of the estimated tax revenues.

To provide a better understanding of the importance assumed by this factor in the determination of budget policy, it can be pointed out that the increase in the amount allocated to debt interest accounts for 91 percent of the increase in the budget deficit. But if we exclude only those interest charges, we see that the negative balance forecast for the current fiscal year drops to only 1.8 percent of the GDP--equivalent to what was achieved in the final version for 1984.

For its part, the current deficit shows an increase of 76.1 million contos in comparison with the revised position for last year. Again deducting the interest charges, we find that the increase in current expenditures comes to about 29.3 percent (a level representing stagnation in real terms, considering the average rate of inflation in 1984).

6. The pattern of growth in expenditures, excluding debt charges, reveals other important factors for rigidity having a significant influence on the management

* Including appropriations for servicing the debt of autonomous agencies.

Revenues (in 1,000's of contos)

Item	1983 Collections	1984 Budget	1985 Budget
Current revenue:			
Direct taxes	183,363	212,442	298,870
Indirect taxes	251,129	318,046	383,387
Taxes, fines, and other penalties	5,554	6,415	8,855
Income from property	39,916	58,118	11,809
Transfers	2,163	3,917	8,064
Sale of durable goods	566	401	1
Sale of services and nondurable goods	2,977	3,328	4,086
Other current revenue	336	500	1,823
Total current revenue	<u>486,004</u>	<u>603,167</u>	<u>716,895</u>
Capital revenue:			
Sale of investment goods	25	55	9
Transfers	8,981	16,388	14,634
Financial assets	831	724	683
Financial liabilities*	-	22	22
Total capital revenue	<u>9,837</u>	<u>17,189</u>	<u>15,348</u>
Refunds	<u>2,891</u>	<u>5,500</u>	<u>5,500</u>
Total actual revenue	498,732	625,856	737,743

* Excluding the use of funds provided by domestic and foreign borrowing.

of budget policy. Using the revised 1984 budget for purposes of comparison, we find that the biggest increases are in personnel expenditures and transfers to public agencies, particularly allocations to the National Health Service and the Social Security Administration.

Unlike what happened in 1984, the overall allocation to Plan investments (76.1 million contos) also shows sizable growth in comparison with the original budget (+15.1 million contos) and the revised budget (+9.7 million contos) for 1984, thus reflecting the intention to ensure a cautious recovery in economic activity.

7. In view of the burden represented by the charges recorded in recent years, the investigation, preparation, and implementation of a medium-term strategy aimed at rationalizing and considerably reducing the deficit in public finance constitutes an objective of prime importance for the revival of the Portuguese economy. Although not all the conditions exist for beginning a systematized and overall program in that area in 1985, the government feels that the current budget year must include a serious effort to control expenditures wherever it is possible to take steps of an immediate nature. The following measures, among others, are being suggested for that purpose:

Expenditures (in 1,000's of contos)

Item	1983 Actual	1984		1985 Proposed ²
		Original	Revised ¹	
General charges	5,158	5,879	5,879	5,045
National Defense	62,299	68,738	68,738	86,291
Finance and Planning of which:	342,270	470,295	484,559	619,145
Debt charges and other general expenditures	321,704	448,012	462,276	589,445
Own expenditures	20,566	22,283	22,283	29,700
Internal Administration of which:	67,991	76,652	77,607	97,584
Transfers to local govts.	47,146	52,047	52,822	66,100
Own expenditures	20,845	24,605	24,785	31,484
Justice	4,960	4,871	4,871	6,550
Foreign Affairs	6,741	7,733	9,105	10,061
Agriculture	15,783	16,080	16,080	21,598
Industry and Energy	5,441	8,911	8,911	12,143
Commerce and Tourism	7,935	12,232	12,232	15,500
Labor and Social Security	47,625	61,073	77,573	105,500
Education	91,686	95,265	104,455	121,597
Health	72,313	80,525	88,025	115,360
Social area	58,443	50,581	55,981	70,946
Quality of Life	1,252	1,595	1,595	2,420
Culture	2,757	3,035	3,035	3,890
Sea	9,217	12,748	12,978	20,335
Total	801,871	976,213	1,031,624	1,314,519

1. According to the budget amendment as provided by Law No 34/84 dated 5 December.

2. [The 1985 total is as published; the detail may be incorrect due to illegible copy.]

- a) Continuation of the policy for reducing the system of financial autonomy in central administrative departments, specifically by eliminating departments, integrating autonomous funds into the state budget, making changes in the administrative system, and converting autonomous departments into wholly or partly state-owned enterprises.
- b) The introduction of disciplinary measures in the management of all administrative agencies where a continuing system of financial autonomy is justified.
- c) A drastic reduction in expenditures to acquire vehicles and maintain government-owned vehicles.

- d) A reduction in expenditures in connection with furniture acquisition, fuel, and telephones.
- e) A ceiling, at the 1984 level, on the overall cost of travel abroad.
- f) Incentives to encourage voluntary retirement, which will be available at full pension to officials and employees with 36 years of service, regardless of their age.
- g) An overall ceiling of 30 percent on the filling of jobs left vacant by retirements.
- h) A reduction in health costs covered by the state budget, particularly through the application of rules to discourage excessive consumption of medicines.
- i) Revision of the social security system covering rural workers to bring it more closely in line with the general system.
- j) Revision of the system for financing public education, affecting in particular the system of fees, scholarships, and social action while maintaining management rationality and social justice.
- k) Revision of the system of family allowances by limiting the family bonus to those with incomes below a certain level.
- l) Systematic verification of efficiency in all government departments. This has already begun in the form of a questionnaire-circular sent out by the General Directorate for Government Accounting pursuant to its legal authority as budget administrator. The intention here is to provide the government with systematic data enabling it to establish a coherent and conclusive strategy for restructuring and rationalizing the state's administrative apparatus, and it may result in the merger or elimination of government departments whose existence is not justified.
- m) The implementation of data processing methods for the financial control of investment in public works projects.
- n) Completion in January of the program for providing all local offices of the General Directorate for Government Accounting with data processing systems for the control of revenues and expenditures.
- o) The provision of continuing education classes, in cooperation with the OECD, for those responsible for management of the government budget.

8. Total projected revenues in the 1985 state budget reflect an increase of 98.6 million contos over the 1984 revised budget (a rise of [copy missing] percent).

For their part, tax revenues should total 682.2 million contos, compared to 530.5 million contos in the revised 1984 budget, for an increase of 31 percent.

Structure of Tax Revenues
(in thousands of contos)

Item	1983 Collections	1984 Budget	1985 Budget
Direct taxes:			
Industrial tax	33,845	43,800	52,900
Occupational tax	47,772	55,600	75,600
Tax on capital	45,958	72,600	118,100
Tax on agricultural industry	-	-	2,100
Supplementary tax	14,389	18,500	19,300
Inheritance and gift tax	4,817	3,335	7,400
Conveyance tax	8,134	12,305	12,500
Special tax on profits	-	4,910	9,800
Other taxes	28,448	1,392	1,170
Total direct taxes	183,363	212,442	298,870
Indirect taxes:			
Import duties	9,519	11,600	13,800
Import surtax	13,488	12,300	13,500
Domestic excise tax	3,375	4,400	5,500
Revenue stamps	9,086	16,200	15,500
Stamp tax	44,288	60,700	83,000
Transaction tax	103,785	128,000	101,800
Value-added tax	-	-	62,100
Automobile sales tax	26,841	31,200	27,400
Tobacco excise tax	25,679	32,500	35,600
Excise tax on alcoholic beverages and beer	-	-	2,000
Other indirect taxes	15,068	21,146	23,187
Total indirect taxes	251,129	218,046	383,387
Total taxes	434,492	530,488	682,257

A preponderant share of the increase is accounted for by the estimated rise in revenues from the tax on capital as a result of the higher taxable basis and the effects of the measures contained in the bill.

Considered in the broad sense, the tax burden--which expresses the relationship between tax revenues and the GDP--is remaining the same.

9. As was already said, the most significant innovation in the area of tax policy is the introduction of the value-added tax, which will take effect in July. Rules concerning the new tax, which constitutes the first step in a basic reform of the tax system, are to be issued during the first half of this year.

10. While awaiting the conclusions that will be drawn from the study underway in connection with reform of the income tax, the government is proposing a number of changes aimed at modernizing the tax system. The changes are intended

to promote economic recovery and the correction of injustices and inequities. Among those changes, the following are the most important:

As regards the personal income tax:

- a) The rate schedule for the occupational tax has been revised, with the income brackets being revised upward generally by 30 percent. It should be emphasized that the first bracket is being raised from 250 to 350 contos, representing a rise of 40 percent.
- b) The rate schedule for the supplementary tax (section A) has been revised by significantly raising the tax brackets while simultaneously lowering the maximum marginal rates, which have been reduced from 70 to 60 percent in Table 1 (married taxpayers) and from 80 to 70 percent in Table 2 (single taxpayers).
- c) In connection with the supplementary tax, the maximum deduction provided for income from labor has been raised from 50 to 60 contos.
- d) Personal deductions for single and married taxpayers have been increased from 120 to 150 contos and from 240 to 300 contos respectively.
- e) Deductions for children and other dependents have been increased from 40 to 50 contos, from 25 to 30 contos, and from 40 to 50 contos, depending on the situation, and the minimum total deduction, when the number of dependents giving rise to such deductions is five or more, is set at 250 contos.
- f) For purposes of the supplementary tax, there is a deduction of 50 percent of the amount paid in fees for registration and attendance by the taxpayer (when a worker-student) or by members of the family unit at public, private, or cooperative schools granting diplomas in basic, secondary, middle, or higher education.

As regards the corporation income tax:

- a) Plans call for revising the groups of taxpayers liable for the industrial tax in an attempt to broaden the application of the business tax on ordinary real profits and create a more suitable distribution of firms among the various taxpayer groups by adopting business volume as the criterion.
- b) Plans call for revising the tax provisions governing reserves and the rules for valuing inventories.
- c) Payment of the tax on agricultural industry is being restored. Concerning the income tax for 1985 and subsequent years, provision is made for reformulating the applicable legislation with a view to more adequately restricting the incidence of this tax in relation to the tax on buildings, the industrial tax, and the capital gains tax.
- d) An exemption from the capital gains tax has been introduced for cases where reserves are incorporated into capital, regardless of the source of those reserves.

e) A deduction from the taxable basis is established for profits allocated to the reserves or reinvested during the 3 following fiscal years, provided that the investment is in new facilities or equipment within the same firm.

11. In the area of tax benefits, and in addition to other provisions still to be announced, the bill calls for revising the system of incentives linked to investment (to adapt it to technological modernization), revising the system of tax incentives for investments in civil construction, public works, and electricity, and continuing the export incentives until 31 December 1985 (under Decree-Law No 408/80 dated 26 September 1980 as amended by Decree-Law No 492/82 dated 31 December 1982).

12. Concerning the tax measures adopted in 1984, the export tax and the special tax on certain business expenditures (which was established by article 30 of Decree-Law No 69/84 dated 27 February 1984) are being abolished. On the other hand, the special tax on profits, established by article 33 of Decree-Law No 119-A/83 dated 28 February 1983 and regulated by Regulatory Decree No 66/83 dated 13 July 1983, is being maintained.

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ECONOMIC

TURKEY

PORIS HEAD VURAL ON PUBLIC STOCK OWNERSHIP

Istanbul DUNYA in Turkish 15 Jan 85 p 3

[Interview with PORIS Board Chairman Ahmet Vural by Kemal Aksit; date and place not given]

[Text] PORIS, a manufacturer of various types of nuts and bolts established under the public stock corporation statutes in 1974 which completed its first trial production in 1978, has a current value of nearly 3 billion liras, says Ahmet Vural, chairman of the PORIS board of directors. Vuran discussed the problems of public stock companies in an interview with DUNYA.

DUNYA: Would you talk about building the factory once corporation status was won?

Vural: We established PORIS as a public stock company in 1974, the stockholders consisting of workers most of whom were employed in Germany. We started building the factory on 10 donums [donum = 940 m²] of a 20-donum lot we bought in the Eskisehir Organized Industry Zone. The factory completed a successful trial run producing steel nuts and bolts in 1978 and started general production the same year. But we were operating at low capacity until last year.

[Question] You say that you were producing at low capacity from the time you started until now. Might I learn what your capacity is, as well as the present value of the facility?

[Answer] PORIS is worth 3 billion liras today, according to the experts. Our factory has two machines for making bolts and three for making nuts. A bolt machine can make 90-100 taps a minute. A nut machine can do 125-150. When we work a double shift, we can produce 1.778 million bolts and 3.510 million nuts a day. We convert approximately 150-200 tons of steel a month into nuts and bolts. But we have been unable to reach our true capacity since the day we completed the trial run and started general production. Our production as of December 1984 reached 90,000 tons.

[Question] How are PORIS shares distributed?

[Answer] PORIS is a public stock company with 2,900 shareholders, 61.5 percent of stock is held by individuals and 38.5 percent by juristic persons. Besides this, there are private administrative and municipal partners as regards 10 percent and

two private firms with 8.5 percent. The 61.5 percent of our company's shares are held in 1-percent shares by workers employed in Germany. Our charter specifies that private individuals who own shares can hold no more than 1 percent and juristic persons no more than 10 percent. Our present capital is 120 million liras.

[Question] Would you explain why you have been unable to operate profitably since the year you began?

[Answer] It is necessary to examine all of these drawbacks from the beginning of our company. Money was hastily put together, credit obtained and the machinery ordered while the company was being set up. But, although the factory started production, it lost the impetus and driving force of the beginning. Serious mistakes were made during installation of the heat treatment. The German firm that owned the machinery had the installation done by a Bursa firm that had no real knowledge of it.

We do not know why these negative things happened that have kept our production down and at low capacity. As known, our production requires a heat treatment process. The heat treatment furnace is worth 700 million liras today. But when the annealing furnace was installed, some parts were not assembled though all of them arrived. When we came in, we looked for ways to get this furnace to work. We asked the assistance of the firm that manufactured it in Germany. They sent a technician but it was not sufficient. So we bid it out and spent 3 million liras to save the 700 million lira investment.

Steel Bolts Profitable

The mold system we used to have was too costly for us. But steel bolts are more profitable. We can take the iron bolt we were selling for 300 liras, do 100 liras' worth more processing and sell it for 850 liras. But to go ahead with steel bolt production, we need capital. We are also having difficulties as to raw materials. It is hard to find quality raw materials and, if we use construction steel, the bolts are poor quality and we cannot get the return we need.

[Question] What are the problems PORIS has as to operations? How do you contemplate solving them?

[Answer] Multiple partnership companies have a problem of both too much and too little. The most important problem is management. Second is the inability to make quick decisions. Third is the inability to get short-term capital.

PORIS has suffered from all of them. It had management problems. Troubled from this standpoint to start with, the company just got in a worse situation. But we came into management and have been solving these problems slowly. Our one problem at the moment is capital. A three-person delegation came from Germany for talks about this. A decision will be made this year as in previous years, however, and there will still be no increase of capital. The capital augmentation that we accomplished in the years 1974-1978 and 1981 is meaningless against today's inflation.

[Question] Do you have any marketing problems? What is the market share status of your products?

[Answer] PORIS used to sell its products in bags. A number of difficulties arose as to marketing and quality because of this. But our new management looked into this and we are packaging in boxes and cartons. We have now got rid of this bad market image.

Meanwhile, to help publicize our products, we printed up brochures in three different languages and sent them to the Arab countries. We are getting the first results. We will be exporting 60,000 bolts to Iraq. We are meeting domestic market demand.

[Question] You have not distributed profits to your shareholders for 10 years. It is also said that you have borrowed close to 800 million liras. Will these be paid when you get your capital augmentation? How will capital augmentation affect PORIS' up-grading efforts?

[Answer] I would like to answer that question like this. PORIS is rare among multiple-partner companies in being in production. Some companies have their contract and others have purchased real estate, but they have not begun production. In my opinion, PORIS saved itself by going into production. But there are problems. Loan repayment and improving capital are among them. Talks we had in Germany for the purpose of increasing company capital, our only resource, had positive results. Money has begun coming in at the bank branches where we opened accounts. I believe that our partners are going to help us in this regard.

[Question] Suppose for a moment that you were unable to repay your loans...

[Answer] PORIS is a corporation. There are ups and downs in business. If we are going to suppose, let us suppose that we were crushed under the interest burden and could not pay off the loans. Then the factory would be sold by court order and all debts would be paid. But none of us can pick up this plant and take it to another country. Certainly we would not wish for such a situation. But, in the worst case, the company would change hands. However, PORIS is making a contribution to the national economy.

[Question] Mr Vural, what does Turkey gain by the survival of multiple partnership companies?

[Answer] The benefit in having more than one person in partnership in companies is that it will spread the wealth. They will be spared social disruption since their income level will rise. Bringing small amounts of money together makes it possible to make large investments. Unemployment will be prevented and production will rise in conjunction with this. In short, the standard of living of Turkish society will rise.

ENERGY

EUROPEAN AFFAIRS

NORDIC COUNTRIES SEEK NON-NUCLEAR ALTERNATIVES, SELF-SUFFICIENCY

Duesseldorf WIRTSCHAFTSWOCHE in German 30 Nov 84 pp 109, 112

[Text] Having their own reserves and innovations permits the Nordic countries to put their stakes on native energy sources in their strategies of supply.

Will the lights in Sweden go out in the year 2010? Proponents of nuclear energy in this Scandinavian country like to paint this dark picture when they attack the Swedish energy policy. Three years ago, the Swedish government laid out its "Guidelines for Energy Policy" in a weighty tome of 700 pages. And there it stands in black and white: By the year 2010, all 12 nuclear power plants must be turned off. EK 81 [parliamentary commission for energy] once again confirmed this line of approach in a recently submitted report.

This exit from nuclear energy will wind up being expensive for the Swedes. 50 billion kronor--about DM 17 billion--is what the energy experts of EK 81 calculate that the conversion to other sources of energy will cost. And even then it is not at all clear to which energy alternatives the Swedes concretely can switch or want to switch. The commission recommends, extremely vaguely, that the government take all conceivable alternatives into consideration.

The Swedes would prefer above all to fall back on their own energy sources. In particular, a portion of the nuclear power could be replaced by an increased use of waterpower. An expansion in hydroelectric power plants, however, has in the meanwhile run up against determined opposition from environmentalists, who no longer want to accept a despoilment of nature. Nor, for environmental reasons, can an increased use of coal, which plays only a modest role on Sweden's energy menu, be implemented without further ado. So, the only thing that remains is for the energy-hungry Nordic country, is to fall back on its natural resources of peat and forest. Since the peat, however, is found overwhelmingly in the north of Sweden, grave transport problems stand in the way of an economic retrenchment. For the energy is needed in southern and central Sweden. Therefore, tree scraps and other wastes yielded by the cellulose and paper industry, are likewise to be more heavily used. The Social-Democratic government wants preferential taxation favoring of these native alternative energy sources. Not least thanks to this, the portion of peat in the energy supply is supposed to rise from its current 0.25 percent to 2.5 percent by 1990, and the use of wood chips from 2.5 to 7.5 percent.

The demand for native energy sources goes hand in hand with a consistent policy of "Down With Oil". The so-called oil replacement fund was created for this purpose. It finances credits for investments that create savings in oil. The fund is fed by a special duty on oil and petroleum products--not, however, on gasoline. In this way, around 1.7 billion kronor (80 million marks) were collected between 1981 and 1983.

The Swedes have done completely without gas for a long time now. But in fall 1985, the first gas valve will be opened in southern Sweden. The gas will come from their southern neighbor, Denmark. The Stockholm Ministry of Industry is also currently planning to supply central Sweden with Soviet and Norwegian gas.

The birthplace of the Vikings is richly blessed with oil and gas revenues from the North Sea. For years, energy exports have helped the Norwegian economy achieve great wealth. And, according to a prognosis by the state oil company Statoil, Norway's age of oil and gas will last until into the 22nd century, and even then it is still uncertain how many millions of tons of still undiscovered valuable reserves remain hidden. Even if Statoil did recently lower the price of oil because of the worldwide surplus, the managers of the state company are counting on a real rise in prices in the long run. The hope is that the production value of oil will double in price between 1984 and the year 2000. And in the process, the budget is doing quite nicely. In any event, the balance of trade for 1983 showed a surplus of around DM 12 billion marks. The proceeds from exports of oil and gas even stood at DM 22 billion marks in the past year.

Still, despite the certain future sources of income from oil and gas resources, Norway's politicians are acting farsightedly, as far as the energy supply of tomorrow is concerned. Norwegian power plants, with the help of waterpower, are currently producing the cheapest electricity in Europe, so that they do not even have their own natural gas supply network yet. Even 75 percent of the oil finds are being exported. So, it is no wonder that, for Norwegian researchers, a magical power emanates from simple water.

The scientists have time and time again been inspired by the idea of using heat pumps to harness the warmth of the North Sea for supplying energy to Norwegian cities. So, the dream of Gustav Lorentzen, professor at the Technical University in Trondheim, of heating cities with seawater, is currently being tested in a large-scale experiment in Oslo. So far, 1,000 homes have already been connected to a district heating system, and another 1,500 are supposed to be added. Here the radiators of the main plant are fed, with the aid of a heat pump, up to 60 percent by the waters of the Oslo fjord, even though the heat--or, better, the coldness of the water--amounts to only six or seven degrees Celsius. Oil provides only three percent of this project. The rest is covered by electricity.

The large-scale Norwegian experiment may also be of importance to the German energy supply, for the Institute for Refrigeration Technology, under the direction of Professor Lorentzen, has been working with the Essen Ruhrgas Co since 1982. In this way, Germany's largest company dealing in gas pumped in from a

great distance hopes to ensure its integration into the international research. With such perspectives on energy supply, nuclear energy, which is held to be indispensable in almost all the rest of Europe, plays no role. In the event that more electricity must be produced, because the waterpower has been exhausted, the Norwegians rely instead on coal imports--after all, enough currency is available for this.

Norway's neighbor Denmark is also renouncing nuclear energy for the time being. The country has been relying for a long time on energy from coal, above all from Poland. In 1972, one year then before the first big oil crisis, 80 percent of Denmark's power plants were still fired by oil and 20 percent by coal. Ten years later, the picture looked entirely different. About 92 percent of the electricity was being generated on a coal basis. District heating is the magic word for the Danish energy supply; in addition, they have their own oil and gas deposits in the North Sea. Already in 1979, about 30 percent of all Danish households were connected to a district heating network. This is certainly the highest density of connection in the world. If, moreover, the domestic gas production remains unaltered until 1990, oil imports could once again be reduced by about one-third. And so, the domestic energy supply's dependence on imports, which was still nearly 100 percent in 1972, would be confined to around 65 percent. Contributing to this, of course, is the fact that up to now the Danes have been able to meet 15 percent of their demand for oil from their own sources. In 1990, however, it could already be even 40 percent, say the forecasters.

Finland's energy policy also aims at making them as independent as possible of energy imports, but the Finns are almost completely dependent on the Soviet Union's gas and oil exports. They are constantly struggling to gradually free themselves from the embrace of the Russian bear. Although oil's share of the Finnish energy supply was still at 37 percent in 1983, it is supposed to be reduced to 27 percent by 1995, according to projections by the Ministry for Trade and Industry in Helsinki. In this cold, Nordic country, too, the motto is "Save" and "Expansion of Domestic Energy Deposits". And, like in Sweden, the alternatives are peat and wood. But even today, the shares of peat (2 percent) and wood (15 percent) in the Finnish energy supply are considerably greater than in neighboring Sweden. Theoretically, Finland could meet all its energy needs until the year 2035 exclusively with peat, but such a strategy is neither technologically nor environmentally sensible. Still, the clever Finns have in the meanwhile gotten far enough along technologically that they can convert peat to a solid fuel which can directly replace coal or wood, and which is also suitable for gasification or liquefaction.

The Finns cannot renounce nuclear energy, nor do they want to. There are four nuclear reactors in the country. Two were delivered by the Swedes and two by the Soviets. The four nuclear power plant complexes operated at an average of 83 percent of capacity last year, above the world average. There is currently much discussion in Finland of whether or not a fifth nuclear power plant is needed. But the Finnish government seems to have apparently already managed a fait accompli on the sly. In the five-year trade agreement just signed with the Soviet Union, there appears--under the rubric "other nuclear energy equipment"--a huge amount, great enough that it could only mean an nuclear power plant.

Whether or not the reactor comes, the waste product is already taken care of for the Finns. The waste goes back to whomever delivered the nuclear power plant. That's waste management in Finnish.

ENERGY

AUSTRIA

BRIEFS

SOVIETS CUT GAS DELIVERIES--Soviet natural gas deliveries to Austria have been cut by one-fifth. Although the Austrian Oil Administration has increased its own gas deliveries from reserve stores from 17-18 to 22 million cubic meters per day, the available gas is not adequate to meet the demand that has nearly doubled as a result of the extremely cold weather. Since industry and private households have priority in gas deliveries, the bottleneck has affected mainly natural gas power plants. Thus the Hohe Wand power plant has stopped production altogether, and the Korneuburg power plant can use only part of its power units. [Summary] [Vienna DIE PRESSE in German 9 Jan 85 p 1 AU]

CSO: 3620/241

ENERGY

TURKEY

OFFICIALS DISCUSS ENERGY SHORTFALLS, CONSERVATION

Istanbul MILLI GAZETE in Turkish 13 Jan 85 p 6

[Text] Ankara - Minister of Energy and Natural Resources Sudi Turel said that while 25 percent of energy consumption had been met through imports in 1973, this rate had risen to 43 percent by 1983. Nearly 90 percent of imported energy was oil, said Sudi Turel.

Speaking at the "Energy Conservation in Industry" conference, sponsored by the Electric Affairs Study Administration to mark Energy Conservation Week, Sudi Turel said that realization of the targeted economic growth rates would be possible through the appropriate and conservative use of primary energy resources and the energy imported from abroad at all stages from production and conversion to transmission, storage, distribution and, finally, consumption. Noting that rapid oil price increases in the past 10 years had hampered Turkey's economic development, Sudi Turel said:

"Developed countries with adequate technology immediately adopted the measures needed to undertake structural changes in their economies. Our country and other developing countries, however, are still trying to adjust to the era of expensive energy.

"The efforts for the past several years to guide both investment and demand for the purpose of saving our energy sector from the status of a sector that creates bottlenecks in the economy and bringing to the economy a forward-looking structure for the medium and long term have been stepped up under the leadership of our public sector.

"In the distribution by sector of total energy consumed in our country, according to 1982 data, the industry sector had 35 percent of energy consumption and 32 percent of total oil demand."

Giray's Speech

Minister of Public Works and Resettlement Safa Giray, who also spoke at the conference, said, "A country's economic development is made possible through a combination of communications, transportation, energy and human factors."

Safa Giray's Comments

"It is necessary that we have transportation, it is necessary that we have communications and, for these, it is necessary that we have energy. It is necessary that our country, located at an important point between Asia and Europe, be a leader in these matters. Our roads ought not to be of poorer quality than European roads, they should even be superior. It is possible to say the same thing for our ports and airports. And it is necessary that we move forward in energy," Giray said.

Suheyl Elbir's Speech

Suheyl Elbir, general director of the Electric Affairs Study Administration, spoke next and pointed out that it was impossible to bring the new and renewable energy sources in Turkey on line at a level to meet total energy demand in the short term. "However, he said, "It is possible to say that energy conservation, which we might define as utilization of energy byproducts, improvement of energy productivity and reducing existing energy waste to a minimum without impeding economic development and the public welfare, will make a positive contribution to solving energy problems in the short and medium term."

General Director Elbir said that the project being carried out under the advisory agreement for an oil exploration project signed on 24 November 1980 between Turkey and the World Bank was being applied at the Turkish Electric Power Corporation's Ambarli thermal plant as a user of liquid fuel, in the steel sector at the Eregli Iron and Steel Factories, in the bottle and glass sector at Mersin Soda, Teknik Glass, Anadolu Glass, Cayirova, Topkapi and Pasabahce factories belonging to the Turkish Bottle and Glass Industry, in the cellulose and paper sector at the Turkish Cellulose and Paper Factories Administration's Izmit Paper Factories and in the textile sector at the Sumer Bank Izmir Printed Fabrics Industry and the Artificial and Synthetic Fibers Industry factories.

Elbir said that the project had been carried out in the framework of schedules set up in contracts with various countries and had been concluded in September 1984, adding that a total of \$1.63 million in credits had been used for these projects. He went on to say that, without going into a sector-by-sector breakdown, plans were in progress to take advantage of a significant short-term conservation potential in 1985 whereby fuel consumption would be reduced by raising boiler productivity as a result of modifications to be made on boilers with a fuel consumption rate above a specific level.

8349
CSO: 3554/73

ENVIRONMENTAL QUALITY

SWEDEN

NATIONWIDE GROUND WATER STUDY TO DOCUMENT COMPLAINTS AGAINST UK

Stockholm DAGENS NYHETER in Swedish 16 Jan 85 p 36

[Article by Matts Dahlstrom]

[Text] Orsa, 15 Jan--The Conservation Board has started a nationwide inspection of ground water in almost 57,600 private wells in the nation's 288 municipal districts. This is the first comprehensive ground water study that has ever been made.

One of the purposes of the study is to provide evidence against the government of Great Britain, which has refused to lower that country's sulfur emissions. British sulfur is regarded as an important factor in increasing the acid problem in Sweden.

"It is important to get documentation against the British who are refusing to join the '30 club,' e.g. the group of European nations pledging to reduce sulfur emissions by 30 percent. The well study is not meant to show the British how ground water in Sweden has changed over the years but to show how acid and corrosive it is now," said Ulf von Bromssen, Phil. Lic., the Conservation Board's project leader for the ground water study.

Extensive Damage

According to Ulf von Bromssen the Conservation Board has so far found the following consequences of acid ground water:

Corrosion damage to water pipes amounting to 150 million kronor per year, which breaks down to 10,000 kronor per property, according to an inventory taken by insurance companies in various counties.

The release into pipes and drinking water of copper, iron and manganese. Some medical experts believe that the increased copper levels are responsible for cases of infant diarrhea.

A risk of metals being released from the soil when wells have a pH level of less than 5. The extent is not yet known but the board is now starting a new project to check leaching of cadmium from the soil.

An insidious effect of increased acidity that has been overlooked in the past is that corrosion damage to water pipes occurs even with normal pH levels, reducing the buffer protection of the ground and increasing the sulphate content of the water.

Data to be Processed

The Conservation Board has sent inventory and data sheets to all 288 municipal districts in the country.

As many as 200 private wells, both shallow and deep-drilled, will be tested in each municipal district.

The Swedish Geological Survey (SGU) in Uppsala has agreed to run the measurement results from the municipalities on a computer program that will map out ground water acidity as well as provide statistical information about it.

Most of the testing is expected to be done this summer and SGU's nationwide computer report can be expected by the middle of 1986.

6578

CSO: 3650/141

ENVIRONMENTAL QUALITY

SWEDEN

HIGH ARSENIC CONCENTRATION FOUND IN DRINKING WATER

Stockholm DAGENS NYHETER in Swedish 20 Jan 85 p 6

[Article by Matts Dahlstrom]

[Text] Orsa, 19 Jan--The Food Agency is urging all municipalities to check the arsenic content of wells supplying drinking water.

This is based on a spot check that showed that 15 places in the country have unusually high amounts of arsenic in artesian wells.

The recommended limit for arsenic in drinking water is 10 micrograms per liter. The limit was exceeded in five locations in a total of nine wells.

One of the places is Burviks Camp--a children's camp in Skelleftea.

This was shown in a survey made by the Swedish Geological Survey (SGU) in Uppsala which DAGENS NYHETER looked at. The report is based on arsenic tests of a hundred drilled wells in 30 communities in the winter of 1982-83.

The places where the drinking water had higher levels than the recommended level are:

Smedjebacken in Dalarna: Dagkarlsbo, Norrbarke, 15 micrograms of arsenic in a liter of water. Town authorities have just decided to start testing for arsenic in 50 wells in the vicinity of Smedjebacken.

Norsjo in Vasterbotten: Kedtraskgruvan, 11 micrograms, Uddengruvan, 17 micrograms, Nasliden in Norsjo, 100 micrograms, the highest amount in the whole study.

Skelleftea in Vasterbotten: Burvik Camp, a children's camp, 13 micrograms.

Lycksele in Vasterbotten: Stensund, 20 micrograms.

Enkoping: Svirsta, Vela Tillinge, 27 micrograms, Kulling, 13 micrograms, Husby, Kungs-Hysby, 28 micrograms.

Unexpectedly High

Unexpectedly high arsenic levels in the drinking water, although below the recommended limit, were found in the following places:

Morbylanga, Hedemora, Skovde, Lysekil, Ange, Solleftea, Kramfors, Stromsund, Ekerö and Hoganas.

The levels in those places varied from 1.0 to 8.7 micrograms per liter of drinking water.

In 1979 the Conservation Board said that the old Swedish limit for arsenic in drinking water, 200 micrograms per liter of water, was "a completely unacceptable limit."

The World Health Organization (WHO) limit of 50 micrograms is "probably also too high," according to the Conservation Board.

Until the results of further studies are in the board proposed a top permissible limit of 10 micrograms of arsenic per liter in municipal drinking water and in individual water supply sources that are used regularly.

Skin Cancer

Arsenic in water can lead to damage to the skin, liver, the heart, the vascular system and nervous system and can also cause skin cancer.

The Food Agency in Uppsala is now urging municipal health and environmental protection agencies to take the initiative to make further arsenic analyses of well water, Gunnar Guzikowski of the Food Agency told DAGENS NYHETER.

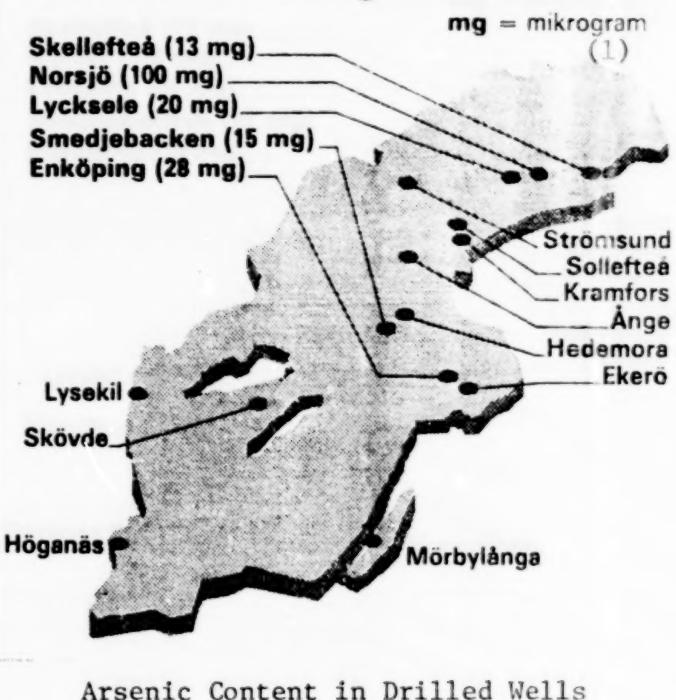
At present the Food Agency is not planning any arsenic projects since other tasks have a higher priority.

According to Mats Aastrup at SGU there is no money for a follow-up of the first arsenic check, even though it is important to find out more facts about arsenic levels in the wells supplying our drinking water.

The most exposed municipalities will follow the example of Smedjebacken and test the arsenic level in wells that the Conservation Board wants studied in its nationwide study of acidification.

The results will be passed on to Great Britain which is refusing to reduce the nation's sulfur emissions by 30 percent.

Arsenikhalten i bergborrade brunnar



Arsenic Content in Drilled Wells

The arsenic content of the drinking water was higher than the recommended limit in a total of nine wells in five places. In another 10 locations the content was unexpectedly high.

Key: 1. Micrograms

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CSO: 3650/141

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